

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

## **LYSANDER *Activ*ETFs**

### **PROSPECTUS**

*Initial Public Offering and Continuous Offering*

July 29, 2022

This prospectus qualifies the distribution of units (the “**Units**”) of the following exchange-traded funds (each, a “**Lysander *Activ*ETF**” and together, the “**Lysander *Activ*ETFs**”):

**Lysander-Canso Corporate Treasury *Activ*ETF (LYCT)**

**Lysander-Canso Floating Rate *Activ*ETF (LYFR)**

**Lysander-Slater Preferred Share *Activ*ETF (PR)**

The Lysander *Activ*ETFs are exchange-traded mutual funds established as trusts under the laws of the Province of Ontario.

Lysander Funds Limited (the “**Manager**”), a registered investment fund manager, is the trustee and manager of the Lysander *Activ*ETFs and is responsible for the administration of the Lysander *Activ*ETFs. The Manager has retained Canso Investment Counsel Ltd. to act as the portfolio manager of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF. The Manager has retained Slater Asset Management Inc. to act as the portfolio manager of Lysander-Slater Preferred Share *Activ*ETF (each of Canso Investment Counsel Ltd. and Slater Asset Management Inc., in their capacity as portfolio manager of the respective Lysander *Activ*ETF, the “**Portfolio Manager**”). See “Organization and Management Details of the Lysander *Activ*ETFs”.

#### **Investment Objectives**

##### *Lysander-Canso Corporate Treasury *Activ*ETF*

Lysander-Canso Corporate Treasury *Activ*ETF seeks to provide total returns consisting principally of interest income by investing primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers.

##### *Lysander-Canso Floating Rate *Activ*ETF*

Lysander-Canso Floating Rate *Activ*ETF seeks to provide total returns consisting principally of interest income by investing primarily in floating rate and other short term debt securities of Canadian and foreign issuers.

## *Lysander-Slater Preferred Share ActivETF*

Lysander-Slater Preferred Share *ActivETF* seeks to generate income while preserving investor capital by investing primarily in preferred shares of Canadian entities that are listed on a Canadian stock exchange.

See “Investment Objectives.”

### **Listing of Units**

Each Lysander *ActivETF* issues Units on a continuous basis and there is no maximum number of Units that may be issued.

Units of Lysander-Slater Preferred Share *ActivETF* are listed on the Toronto Stock Exchange (the “**TSX**”) and an investor may buy or sell Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

The Manager, on behalf of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF*, has applied to list the Units of these Lysander *ActivETF*s on the TSX. The TSX has conditionally approved the listing of the Units of these Lysander *ActivETF*s. Listing is subject to these Lysander *ActivETF*s fulfilling all of the requirements of the TSX before July 8, 2023. Subject to satisfying the TSX’s listing requirements, Units of these Lysander *ActivETF*s will be listed on the TSX and offered on a continuous basis and an investor will be able to buy or sell these Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. Unitholders may redeem Units in any number for cash for a redemption price equal to the lesser of (i) 95% of the closing price on the TSX for the Units on the effective day of the redemption and (ii) the net asset value per Unit on the effective day of the redemption, or may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for a Basket of Securities and cash or, in certain circumstances, for cash. See “Redemption of Units.”

The Lysander *ActivETF*s will issue Units directly to the Designated Brokers and Dealers.

### **Eligibility for Investment**

In the opinion of Borden Ladner Gervais LLP, the Units of each Lysander *ActivETF* will be qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) for a trust governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, tax-free savings account, deferred profit sharing plan or registered disability savings plan (each a “**Registered Plan**” and collectively “**Registered Plans**”) provided that the Lysander *ActivETF* qualifies or is deemed to qualify as a “mutual fund trust” within the meaning of the Tax Act or the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX. Units of the Lysander *ActivETF*s are or are expected to be listed on the TSX.

Investors should consult their own tax advisors for advice on whether Units of a Lysander *Activ*ETF would be a “prohibited investment” under the Tax Act for their Registered Plans. See “Income Tax Considerations – Eligibility for Investment.”

### **Additional Consideration**

**No Dealer or Designated Broker has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus and, as such, the Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Lysander *Activ*ETFs of their Units under this prospectus.**

**For a discussion of the risks associated with an investment in Units of the Lysander *Activ*ETFs, see “Risk Factors.”**

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

Each Lysander *Activ*ETF is a mutual fund under the securities legislation of the provinces and territories of Canada.

### **Documents Incorporated by Reference**

Additional information about each Lysander *Activ*ETF is available in the most recently filed ETF facts, the most recently filed annual financial statements, if any, any interim financial statements filed after the most recently filed annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), if any, and any interim MRFP filed after the most recently filed annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

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## IMPORTANT TERMS

*Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

*Basket of Securities* – in relation to a Lysander *ActivETF*, a group of securities selected by the Portfolio Manager from time to time that collectively reflect the constituents of the portfolio of the Lysander *ActivETF*.

*Canadian securities legislation* – the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities, as the same may be amended, restated or replaced from time to time.

*Canso Investment Management Agreement* – the amended and restated investment management agreement dated July 29, 2022 between Lysander Funds Limited, as manager of each of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF*, and Canso Investment Counsel Ltd., as portfolio manager of these Lysander *ActivETFs*.

*CDS* – CDS Clearing and Depository Services Inc.

*CDS Participant* – a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

*CRA* – The Canada Revenue Agency.

*Custodian* – CIBC Mellon Trust Company or its successor.

*Custodial Agreement* – the custodial agreement made as of December 8, 2011, effective as of September 25, 2009, between the Manager and the Custodian, amongst others, as the same may be amended or restated from time to time.

*Cut-Off Time* – in relation to each issuance and exchange of Units of a Lysander *ActivETF*, the applicable time set out under “Purchases of Units – Issuance of Units.”

*Dealer* – a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of one or more Lysander *ActivETFs*, and that subscribes for and purchases Units from such Lysander *ActivETFs* as described under “Purchases of Units – Issuance of Units.”

*Declaration of Trust* – the master declaration of trust pursuant to which each Lysander *ActivETF* was established, dated July 28, 2015, as the same may be amended or restated from time to time.

*Designated Broker* – a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of one or more Lysander *ActivETFs*, pursuant to which the Designated Broker agrees to perform certain duties in relation to such Lysander *ActivETFs*.

*distribution payment date* – a date, which is no later than the tenth business day following the applicable distribution record date, on which a Lysander *ActivETF* pays a distribution to its Unitholders.

*distribution record date* – a date designated by the Manager as a record date for the determination of Unitholders entitled to receive a distribution from a Lysander *ActivETF*.

*ETF Facts* – a document that summarizes certain features of the Units of a Lysander *ActivETF*.

*Fund Administration Services Agreement* – the agreement dated April 1, 2015 between the Manager and the Fund Administrator, as the same may be amended or restated from time to time.

*Fund Administrator* – CIBC Mellon Global Securities Services Company or its successor.

*IRC* – the Independent Review Committee of the Lysander *ActivETFs*.

*Lysander ActivETFs* – the exchange-traded funds listed from time to time on the front cover of this prospectus, each established as a trust under the laws of Ontario pursuant to the Declaration of Trust.

*Management Agreement* – the management agreement dated July 28, 2015 between Lysander Funds Limited, as trustee of the Lysander *ActivETFs*, and the Manager, as the same may be amended or restated from time to time.

*Manager* – Lysander Funds Limited, a corporation established under the laws of Ontario, or its successor.

*MRFP* – management report of fund performance as defined in NI 81-106.

*NAV* and *NAV per Unit* – in relation to each Lysander *ActivETF*, the net asset value and the net asset value per Unit of the Lysander *ActivETF*, respectively, calculated by the Fund Administrator as described under “Calculation of Net Asset Value.”

*NI 81-102* – National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

*NI 81-106* – National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

*NI 81-107* – National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

*Plan Agent* – TSX Trust Company or its successor, as the plan agent under the Reinvestment Plan.

*Plan Participant* – a Unitholder that participates in any Reinvestment Plan.

*Plan Units* – additional Units acquired in the market by the Plan Agent under any Reinvestment Plan.

*Portfolio Manager* – in relation to Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF*, Canso Investment Counsel Ltd., a corporation established under the laws of Ontario, or its successor and, in relation to Lysander-Slater Preferred Share *ActivETF*, Slater Asset Management Inc., a corporation established under the laws of Ontario, or its successor.

*Prescribed Number of Units* – in relation to a particular Lysander *ActivETF*, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

*Registered Plans* – trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, deferred profit sharing plans and registered disability savings plans.

*Registrar and Transfer Agent* – TSX Trust Company or its successor.

*Reinvestment Plan* – means any distribution reinvestment plan offered by the Manager for the Lysander *ActivETF*s.

*securities regulatory authorities* – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

*Slater Investment Management Agreement* – the investment management agreement dated July 29, 2015 between Lysander Funds Limited, as manager of Lysander-Slater Preferred Share *ActivETF*, and Slater Asset Management Inc., as portfolio manager of Lysander-Slater Preferred Share *ActivETF*.

*Tax Act* – the *Income Tax Act* (Canada) and the regulations issued thereunder, as the same may be amended from time to time.

*Tax Proposals* – all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date of this prospectus.

*Trading Day* – for each Lysander *ActivETF*, unless otherwise agreed by the Manager, a day on which: (i) a session of the TSX is held; and (ii) the primary market or exchange for the securities held by the Lysander *ActivETF* is open for trading.

*TSX* – the Toronto Stock Exchange.

*Unit* – in relation to a particular Lysander *ActivETF*, a redeemable, transferable unit of the Lysander *ActivETF*, which represents an equal, undivided interest in the Lysander *ActivETF*.

*Unitholder* – a holder of Units of a Lysander *ActivETF*.

*Valuation Date* – each business day or any other day designated by the Manager on which the NAV and NAV per Unit of a Lysander *ActivETF* are calculated.

*Valuation Time* – 4:00 p.m. (Toronto time) or such other time that the Manager deems appropriate on each Valuation Date.



## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Units of the Lysander ActivETFs and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

**Issuers:** Lysander-Canso Corporate Treasury *ActivETF*  
Lysander-Canso Floating Rate *ActivETF*  
Lysander-Slater Preferred Share *ActivETF*

Each Lysander *ActivETF* is an exchange-traded mutual fund established as a trust under the laws of Ontario. Lysander Funds Limited is the trustee and manager of the Lysander *ActivETF*s. Canso Investment Counsel Ltd. is the portfolio manager of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF*. Slater Asset Management Inc. is the portfolio manager of Lysander-Slater Preferred Share *ActivETF*.

**Continuous Distribution:** Units of the Lysander *ActivETF*s are being offered on a continuous basis and there is no maximum number of Units that may be issued.

Units of Lysander-Slater Preferred Share *ActivETF* are listed on the TSX and an investor may buy or sell Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

The Manager, on behalf of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF*, has applied to list the Units of these Lysander *ActivETF*s on the TSX. The TSX has conditionally approved the listing of the Units of these Lysander *ActivETF*s. Listing is subject to these Lysander *ActivETF*s fulfilling all of the requirements of the TSX before July 8, 2023. Subject to satisfying the TSX's listing requirements, Units of these Lysander *ActivETF*s will be listed on the TSX and offered on a continuous basis and an investor will be able to buy or sell these Units on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. Investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

The Lysander *ActivETF*s will issue Units directly to the Designated Brokers and Dealers. From time to time, as may be agreed between a prospective purchaser and a Designated Broker or a Dealer, the Designated Broker or Dealer may agree to accept securities as payment for Units from prospective purchasers.

See "Purchases of Units – Issuance of Units" and "Purchases of Units – Buying and Selling Units."

**Investment Objectives:**

<b>Lysander <i>Activ</i>ETF</b>	<b>Investment Objectives</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	Lysander-Canso Corporate Treasury <i>Activ</i> ETF seeks to provide total returns consisting principally of interest income by investing primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers.
Lysander-Canso Floating Rate <i>Activ</i> ETF	Lysander-Canso Floating Rate <i>Activ</i> ETF seeks to provide total returns consisting principally of interest income by investing primarily in floating rate and other short term debt securities of Canadian and foreign issuers.
Lysander-Slater Preferred Share <i>Activ</i> ETF	Lysander-Slater Preferred Share <i>Activ</i> ETF seeks to generate income while preserving investor capital by investing primarily in preferred shares of Canadian entities that are listed on a Canadian stock exchange.

See “Investment Objectives – Investment Objectives of the Lysander *Activ*ETFs.”

**Investment Strategies:****Lysander-Canso Corporate Treasury *Activ*ETF**

In order to achieve its investment objective, Lysander-Canso Corporate Treasury *Activ*ETF invests primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers. Lysander-Canso Corporate Treasury *Activ*ETF’s investments are primarily comprised of securities rated BBB or higher (‘investment grade’) (or their equivalent in the opinion of the portfolio manager). The portfolio will tend to have an average term-to-maturity of approximately eighteen months, although it could hold debt securities with a longer term to maturity. Lysander-Canso Corporate Treasury *Activ*ETF will be actively managed and may use derivatives in accordance with NI 81-102.

**Lysander-Canso Floating Rate *Activ*ETF**

In order to achieve its investment objective, Lysander-Canso Floating Rate *Activ*ETF invests primarily in floating rate and other short term debt securities of Canadian and foreign issuers. Investments are not constrained by credit ratings except that, at time of purchase, at least 75% of the market value of Lysander-Canso Floating Rate *Activ*ETF will be comprised of securities rated BBB or higher (‘investment grade’) (or their equivalent in the opinion of the portfolio manager). Lysander-Canso

Floating Rate *Activ*ETF's investments will also tend to be concentrated in debt securities with a term-to-maturity of five years or less although it could hold debt securities with a longer term to maturity as long as the weighted average term-to-maturity of all the securities held in the portfolio at the time of purchase is less than five years. Lysander-Canso Floating Rate *Activ*ETF will be actively managed and may use derivatives in accordance with NI 81-102.

### **Lysander-Slater Preferred Share *Activ*ETF**

In order to achieve its investment objective, Lysander-Slater Preferred Share *Activ*ETF will invest primarily in preferred shares of Canadian issuers listed in Canada, using fundamental and credit research. The Lysander *Activ*ETF may also invest up to 10% of its assets at the time of investment in other income-generating securities. The Lysander *Activ*ETF will be actively managed and will seek to invest in select securities at attractive valuations within the preferred share market in order to achieve additional income and/or capital appreciation. The Lysander *Activ*ETF may use derivatives in accordance with NI 81-102.

See "Investment Strategies."

### **Special Considerations for Purchasers:**

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply in connection with the acquisition of Units of any Lysander *Activ*ETF. The Lysander *Activ*ETFs have obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of any Lysander *Activ*ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

See "Purchases of Units – Special Considerations for Unitholders."

### **Risk Factors:**

There are certain general risk factors inherent in an investment in the Lysander *Activ*ETFs, including:

- (i) the general risks of investments;
- (ii) fluctuations in the NAV and NAV per Unit of the Lysander *Activ*ETFs;
- (iii) the risks associated with changes in interest rates;
- (iv) the risks associated with the liquidity of the securities in which the Lysander *Activ*ETFs invest;
- (v) the risks associated with currency or exchange rates;

- (vi) the risks associated with the cease trading of securities held by the Lysander *Activ*ETFs;
- (vii) the risks associated with the subscription for Units by the Designated Broker and Dealers;
- (viii) the risks associated with substantial redemptions;
- (ix) the risk that Units may trade at a premium or a discount to the NAV per Unit;
- (x) counterparty risks associated with securities lending;
- (xi) changes in legislation, including tax legislation;
- (xii) risks relating to the taxation of the Lysander *Activ*ETFs;
- (xiii) the absence of an active public trading market for the Units;
- (xiv) the risks associated with the use of derivative instruments;
- (xv) the risks associated with investing in other investment funds;
- (xvi) the risks relating to cyber security;
- (xvii) the trading of Units on the TSX may be halted in certain circumstances; and
- (xviii) the risks associated with *force majeure* (unforeseen events that may occur beyond the reasonable control of any party).

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Lysander *Activ*ETFs as indicated in the table below.

<b>Lysander <i>Activ</i>ETF</b>	<b>Additional Risks</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	the risks associated with IBOR transition; the risks associated with short selling
Lysander-Canso Floating Rate <i>Activ</i> ETF	the risks associated with IBOR transition; the risks associated with short selling
Lysander-Slater Preferred Share <i>Activ</i> ETF	the risks associated with investing in preferred shares; the risks associated with relying on key personnel for portfolio management services

See “Risk Factors.”

**Income Tax Considerations:**

Each year a Unitholder who is an individual (other than a trust) resident in Canada and who holds Units as capital property (all within the meaning of the Tax Act) is generally required to include in the calculation of income for tax purposes the amount of any income and the taxable portion of any capital gains of the Lysander *Activ*ETF distributed to the Unitholder in the year, whether or not the distribution is paid in cash or reinvested in additional Units. A Unitholder will generally realize a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

Each investor should satisfy themselves as to the tax consequences of an investment in Units by obtaining advice from his, her or its own tax advisor.

See “Income Tax Considerations.”

**Exchanges and Redemptions:**

In addition to the ability to sell Units on the TSX, Unitholders may redeem Units in any number for cash for a redemption price equal to the lesser of (i) 95% of the closing price on the TSX for the Units on the effective day of the redemption and (ii) the NAV per Unit on the effective day of the redemption, or exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for a Basket of Securities and cash or, in certain circumstances, for cash.

See “Redemption of Units.”

**Distributions:**

Cash distributions on Units of the Lysander *Activ*ETFs, if any, will be paid as set out in the table below:

<b>Lysander <i>Activ</i>ETF</b>	<b>Cash Distributions Frequency</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	Monthly
Lysander-Canso Floating Rate <i>Activ</i> ETF	Monthly
Lysander-Slater Preferred Share <i>Activ</i> ETF	Monthly

Cash distributions are expected to consist of income, capital gains and/or returns of capital.

Each year, each Lysander *Activ*ETF intends to distribute a sufficient amount of its net income and net realized capital gains for the year to Unitholders so that the Lysander *Activ*ETF will not be liable for ordinary income tax. To the extent that a Lysander *Activ*ETF has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to Unitholders at the end of the year and that distribution will be automatically reinvested in additional Units. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. These reinvested distributions may be subject to withholding tax.

The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations.”

See “Distribution Policy.”

**Distribution  
Reinvestment:**

The Manager may implement a Reinvestment Plan for the Lysander *Activ*ETFs under which cash distributions are used to acquire Plan Units in the market and are credited to the account of the Plan Participant through CDS. Following implementation of the Reinvestment Plan, a Unitholder may elect to participate in the Reinvestment Plan by contacting the CDS Participant through which the Unitholder holds his, her or its Units.

See “Distribution Policy – Reinvestment Plan.”

**Termination:**

The Lysander *Activ*ETFs do not have a fixed termination date but may be terminated by the Manager upon not less than 60 days’ written notice to Unitholders.

See “Termination of the Lysander *Activ*ETFs.”

**Documents  
Incorporated by  
Reference:**

Additional information about each Lysander *Activ*ETF is available in the most recently filed ETF Facts, the most recently filed annual financial statements, any interim financial statements filed after the most recently filed annual financial statements, the most recently filed annual MRFP and any interim MRFP filed after the most recently filed annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Lysander *Activ*ETFs’ designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com) and may be obtained upon request, at no cost, by calling us collect at 1-877-308-6979 or by contacting a registered dealer. These documents

and other information about the Lysander *Activ*ETF are also publicly available at [www.sedar.com](http://www.sedar.com).

See “Documents Incorporated by Reference.”

**Eligibility for Investment:**

The Units of a Lysander *Activ*ETF will be a qualified investment under the Tax Act for a Registered Plan at any time that the Lysander *Activ*ETF qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX. Units of the Lysander *Activ*ETFs are or are expected to be listed on the TSX.

Investors should consult their own tax advisors for advice on whether Units of a Lysander *Activ*ETF would be a “prohibited investment” under the Tax Act for their Registered Plan.

See “Income Tax Considerations – Eligibility for Investment”.

**ORGANIZATION AND MANAGEMENT OF THE LYSANDER ETFs**

**Manager:**

Lysander is the manager of the Lysander *Activ*ETFs and is responsible for the administration and operations of the Lysander *Activ*ETFs. The registered office of the Lysander *Activ*ETFs and the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

See “Organization and Management Details of the Lysander *Activ*ETFs – Manager of the Lysander *Activ*ETFs”.

**Trustee:**

Lysander is the trustee of the Lysander *Activ*ETFs pursuant to the Declaration of Trust and holds title to the assets of each Lysander *Activ*ETF in trust for the Unitholders.

See “Organization and Management Details of the Lysander *Activ*ETFs – Trustee.”

**Portfolio Managers:**

Lysander has appointed portfolio managers for each of the Lysander *Activ*ETFs. Each portfolio manager provides, or causes to be provided, investment management services to the respective Lysander *Activ*ETF.

Canso Investment Counsel Ltd., at its principal offices in Richmond Hill, Ontario, has been appointed portfolio manager to Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF.

Slater Asset Management Inc., at its principal offices in Toronto, Ontario, has been appointed portfolio manager to the Lysander *Activ*ETF.

See “Organization and Management Details of the Lysander *Activ*ETFs – Portfolio Managers.”

**Promoter:** Lysander has taken the initiative in founding and organizing the Lysander *Activ*ETFs and is, accordingly, the promoter of the Lysander *Activ*ETFs within the meaning of securities legislation of certain provinces and territories of Canada.

See “Organization and Management Details of the Lysander *Activ*ETFs – Promoter.”

**Custodian:** CIBC Mellon Trust Company, at its principal offices in Toronto, Ontario, is the custodian of the assets of the Lysander *Activ*ETFs and holds those assets in safekeeping.

See “Organization and Management Details of the Lysander *Activ*ETFs – Custodian.”

**Registrar and Transfer Agent:** TSX Trust Company, at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Units of the Lysander *Activ*ETFs and maintains the register of registered Unitholders. The register of the Lysander *Activ*ETFs is kept in Toronto, Ontario.

See “Organization and Management Details of the Lysander *Activ*ETFs – Registrar and Transfer Agent.”

**Auditors:** Deloitte LLP, at its principal offices in Toronto, Ontario, are the auditors of the Lysander *Activ*ETFs. The Auditors audit each Lysander *Activ*ETF’s annual financial statements and provide an opinion as to whether they present fairly the Lysander *Activ*ETF’s financial position, results and changes in net assets. The Auditors are independent of the Manager.

See “Organization and Management Details of the Lysander *Activ*ETFs – Auditors.”

**Fund Administrator:** CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, Ontario, is the fund administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Lysander *Activ*ETFs, including NAV calculations, accounting for net income and net realized capital gains of the Lysander *Activ*ETFs and maintaining books and records with respect to the Lysander *Activ*ETFs.

See “Organization and Management Details of the Lysander *Activ*ETFs – Fund Administrator.”



## SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that an investor may have to pay if the investor invests in the Lysander *Activ*ETFs. An investor may have to pay some of these fees and expenses directly. The Lysander *Activ*ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Lysander *Activ*ETFs.

See “Fees and Expenses.”

### Fees and Expenses Payable by the Lysander *Activ*ETFs

<u>Type of Fee</u>	<u>Amount and Description</u>
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<b>Management Fee:</b>	Each Lysander <i>Activ</i> ETF pays a management fee to the Manager based on the annual rate set forth in the table below and the NAV of the Units of that Lysander <i>Activ</i> ETF. This management fee, plus applicable taxes, is calculated and accrued daily and paid monthly.
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Lysander <i>Activ</i> ETF	Management fee (annual rate)
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	0.25%
Lysander-Canso Floating Rate <i>Activ</i> ETF	0.35%
Lysander-Slater Preferred Share <i>Activ</i> ETF	0.65%

<b>Operating Expenses:</b>	Each Lysander <i>Activ</i> ETF pays all of its operating expenses, including but not limited to: all brokerage expenses and commissions and any other trading expenses; expenses related to the implementation and on-going operation of the IRC; audit, custodial and legal expenses; valuation, accounting, unitholder servicing and recordkeeping costs; registrar and transfer agent fees; any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the Lysander <i>Activ</i> ETF; the cost of complying with governmental or regulatory requirements such as prospectus preparation and filing expenses and capital markets participation fees; listing and annual stock exchange fees; CDS fees; expenses related to the Reinvestment Plan including the fees of the Plan Agent; banking and interest expenses; the fees under or in respect of any derivative instrument used by the Lysander <i>Activ</i> ETF; any goods and services taxes, harmonized sales taxes or other taxes on those expenses; and any income, withholding or other taxes payable by the Lysander <i>Activ</i> ETF.
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In their discretion, the Manager or a Portfolio Manager may pay certain of the expenses of a Lysander *Activ*ETF but any such payments shall not oblige the Manager or a Portfolio Manager to make similar future payments, and such payments may be stopped without notice to Unitholders.

**Fund of Funds:** A Lysander *Activ*ETF may, in accordance with applicable securities laws, invest in other Lysander *Activ*ETFs, other investment funds managed by the Manager or its affiliates and other exchange-traded funds managed by third parties. With respect to such investments, no management or incentive fees are payable by the Lysander *Activ*ETF that, to a reasonable person, would duplicate a fee payable by the other investment funds for the same service. Where a Lysander *Activ*ETF invests in an exchange-traded fund or other investment fund that is not managed by the Manager or its affiliate, the fees and expenses payable in connection with the management of that exchange-traded fund, including management and incentive fees, are not duplicative and are in addition to those payable by the Lysander *Activ*ETF. No sales or redemption fees are payable by the Lysander *Activ*ETF in relation to any purchase or redemption of the securities of such investment funds. Commissions may apply to the purchase or sale of exchange-traded fund securities.

#### **Fees and Expenses Payable by the Manager**

##### **Type of Fee**

##### **Amount and Description**

**Portfolio  
Manager Fees:**

The Manager pays the fees of the Portfolio Managers.

#### **Fees and Expenses Payable Directly by Unitholders**

##### **Type of Fee**

##### **Amount and Description**

**Other Charges:**

Unitholders who buy and sell their Units of a Lysander *Activ*ETF through the facilities of the TSX do not pay a fee directly to the Manager or the Lysander *Activ*ETF in respect of those purchases and sales.

The Manager or the Lysander *Activ*ETF may charge the Designated Broker and/or Dealers a fee to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Lysander *Activ*ETF to or by such Designated Broker and/or Dealer. See “Purchases of Units” and “Redemption of Units.”

See “Fees and Expenses.”

## **OVERVIEW OF THE LEGAL STRUCTURE OF THE LYSANDER *ACTIV*ETFs**

The Lysander *Activ*ETFs are exchange-traded funds established as trusts under the laws of the Province of Ontario. The Lysander *Activ*ETFs have been established pursuant to the Declaration of Trust.

The Lysander *Activ*ETFs are mutual funds under the securities legislation of the provinces and territories of Canada.

The principal office of the Lysander *Activ*ETFs and the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1.

## **INVESTMENT OBJECTIVES**

### **Investment Objectives of the Lysander *Activ*ETFs**

#### ***Lysander-Canso Corporate Treasury *Activ*ETF***

Lysander-Canso Corporate Treasury *Activ*ETF seeks to provide total returns consisting principally of interest income by investing primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers.

#### ***Lysander-Canso Floating Rate *Activ*ETF***

Lysander-Canso Floating Rate *Activ*ETF seeks to provide total returns consisting principally of interest income by investing primarily in floating rate and other short term debt securities of Canadian and foreign issuers.

#### ***Lysander-Slater Preferred Share *Activ*ETF***

Lysander-Slater Preferred Share *Activ*ETF seeks to generate income while preserving investor capital by investing primarily in preferred shares of Canadian entities that are listed on a Canadian stock exchange.

## **INVESTMENT STRATEGIES**

### **Principal Investment Strategies of the Lysander *Activ*ETFs**

#### ***Lysander-Canso Corporate Treasury *Activ*ETF***

Lysander-Canso Corporate Treasury *Activ*ETF's portfolio will primarily be invested in liquid, short term high quality fixed income and floating rate debt securities of Canadian and foreign issuers. It also may invest in debt securities convertible into common stock, and fixed income and floating rate debt securities of governments, government agencies, supranational agencies, companies, trusts and limited partnerships.

This Lysander *Activ*ETF's investments are primarily comprised of securities rated BBB or higher ('investment grade') (or their equivalent in the opinion of the Portfolio Manager). The portfolio

will tend to have an average term-to-maturity of approximately eighteen months, although it could hold debt securities with a longer term to maturity.

This Lysander *Activ*ETF may invest up to 100% of its net assets in foreign securities. It may also purchase foreign currencies in the form of bank deposits.

With respect to selecting investments for this Lysander *Activ*ETF, the Portfolio Manager takes a “bottom up” approach to portfolio construction, focusing on security selection and then adjusting the portfolio to stay within its duration and credit targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities.

From time to time, this Lysander *Activ*ETF may invest in other exchange-traded funds to gain the desired exposure to securities that meet the investment objectives of the Lysander *Activ*ETF.

### ***Lysander-Canso Floating Rate Activ*ETF**

Lysander-Canso Floating Rate *Activ*ETF’s portfolio will primarily be invested in floating rate and other short term debt securities of Canadian and foreign issuers. It also may invest in debt securities convertible into common stock, and fixed income and floating rate debt securities of governments, government agencies, supranational agencies, companies, trusts and limited partnerships.

This Lysander *Activ*ETF’s investments are not constrained by credit ratings except that, at time of purchase, at least 75% of the market value of the Lysander *Activ*ETF will be comprised of securities rated BBB or higher (“investment grade”) (or their equivalent in the opinion of the Portfolio Manager). This Lysander *Activ*ETF’s investments will also tend to be concentrated in debt securities with a term-to-maturity of five years or less although it could hold debt securities with a longer term to maturity as long as the weighted average term-to-maturity of all the securities held in the portfolio at the time of purchase is less than five years. In calculating the weighted average term-to-maturity of the securities in the portfolio, the Portfolio Manager may exclude securities whose coupon payments fluctuate or “float” with respect to a reference interest rate such as the 3-month Canadian Dealer Offered Rate (“**CDOR**”) or the equivalent in other countries.

This Lysander *Activ*ETF may invest up to 100% of its net assets in foreign securities. It may also purchase foreign currencies in the form of bank deposits.

With respect to selecting investments for this Lysander *Activ*ETF, the Portfolio Manager takes a “bottom up” approach to portfolio construction, focusing on security selection and then adjusting the portfolio to stay within its duration and credit targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities.

From time to time, this Lysander *Activ*ETF may invest in other exchange-traded funds to gain the desired exposure to securities that meet the investment objectives of the Lysander *Activ*ETF.

### ***Lysander-Slater Preferred Share Activ*ETF**

In order to achieve its investment objective, Lysander-Slater Preferred Share *Activ*ETF will invest primarily in preferred shares of Canadian issuers listed in Canada, using fundamental and credit

research. It may also invest up to 10% of its assets at the time of investment in other income-generating securities. This Lysander *Activ*ETF will seek to invest in select securities at attractive valuations within the preferred share market in order to achieve additional income and/or capital appreciation. Some of the Canadian listed preferred shares in which this Lysander *Activ*ETF invests may be denominated in U.S. dollars.

The underlying securities held by this Lysander *Activ*ETF will change from time to time as determined by the Portfolio Manager. When there are frequent changes to the securities held by this Lysander *Activ*ETF, the Lysander *Activ*ETF is more likely to realize net capital gains and to make distributions of capital gains to Unitholders. This Lysander *Activ*ETF will also tend to directly or indirectly incur more trading costs, which may lower returns, in these circumstances.

From time to time, this Lysander *Activ*ETF may invest in other exchange-traded funds to gain the desired exposure to securities that meet the investment objectives of the Lysander *Activ*ETF. During ordinary market conditions, such investment, if any, is expected to be limited.

### **Additional Investment Strategies of the Lysander *Activ*ETFs**

#### ***Securities Lending***

A Lysander *Activ*ETF may, in compliance with NI 81-102 and in conjunction with its investment objectives, lend securities to securities borrowers acceptable to it pursuant to the terms of a securities lending agreement between the Lysander *Activ*ETF's securities lending agent and any such borrower under which: (i) the borrower will pay to the Lysander *Activ*ETF a negotiated securities lending fee and will make compensation payments to the Lysander *Activ*ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Lysander *Activ*ETF will receive collateral security. The securities lending agent is responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis. Any securities lending revenue earned by the Lysander *Activ*ETF will be credited to the account of the Lysander *Activ*ETF.

Under applicable securities legislation, the collateral posted by the securities borrower is required to have an aggregate value of not less than 102% of the market value of the loaned securities. The total value of the securities loaned by a Lysander *Activ*ETF at any time is not permitted to exceed 50% of the NAV of the Lysander *Activ*ETF (excluding any collateral received from securities lending activities). Any cash collateral acquired by a Lysander *Activ*ETF may be invested only in the securities permitted under NI 81-102 that have a remaining term to maturity of no longer than 90 days.

#### ***Use of Derivative Instruments***

A Lysander *Activ*ETF may use derivatives such as forwards, options, swaps and other derivative instruments for hedging purposes such as to hedge some or all of its foreign currency exposure or to provide protection for the Lysander *Activ*ETF's portfolio. Any use of derivative instruments by a Lysander *Activ*ETF must be in compliance with NI 81-102 and must be consistent with the investment objectives and investment strategies of the Lysander *Activ*ETF. A Lysander

*ActivETF*'s portfolio may not be fully hedged at any given time, and any hedging will be at the discretion of the portfolio manager.

The derivatives most likely to be used by the Lysander *ActivETF*s are forward contracts and swaps; however, the Lysander *ActivETF*s may also use other types of derivative instruments.

A forward contract is an agreement entered into by two parties to buy or sell a specific amount of an asset at a specified point of time in the future at a predetermined price. Swaps are instruments that involve the exchange of assets (typically securities, cash flows, interest rates or currencies).

### ***Short Selling***

Each of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF* may engage in short selling in a manner which is consistent with the respective Lysander *ActivETF*'s investment objective and as permitted by securities regulations. Under applicable securities regulations, a Lysander *ActivETF* is permitted to short sell only liquid securities and is required to limit the amount of exposure for short sales of a single issuer to 5% of the NAV of the Lysander *ActivETF* and the total market value of all securities sold short to 20% of the NAV of the Lysander *ActivETF*.

Lysander-Slater Preferred Share *ActivETF* does not engage in short selling.

### ***Cash Management***

For purposes of a merger or other transaction, or for investment reasons, from time to time, a Lysander *ActivETF* may hold all or a portion of its assets in cash or cash equivalents or invest in short term bonds or money market instruments in response to adverse market, economic and/or political conditions or for liquidity, defensive or other purposes. As a result, the Lysander *ActivETF* may not always be fully invested in accordance with its investment objective, and, in a rising market, there could be a negative impact on performance relative to other fully invested exchange-traded funds with a similar objective. In addition, a Lysander *ActivETF* may use cash to pay those operating expenses that the Lysander *ActivETF* is responsible for paying, to purchase additional Baskets of Securities or portions thereof or to increase the notional amount under its derivative instruments, as applicable.

## **INVESTMENT RESTRICTIONS**

The Lysander *ActivETF*s are subject to certain restrictions and practices contained in securities legislation, including NI 81-102. The Lysander *ActivETF*s are managed in accordance with these restrictions and practices, except as otherwise permitted by exemptions obtained from the Canadian securities regulatory authorities (see "Exemptions and Approvals"). A change to the investment objectives of a Lysander *ActivETF* would require the approval of the Unitholders. Please see "Unitholder Matters – Matters Requiring Unitholders Approval."

Each Lysander *ActivETF* is also restricted from making an investment or undertaking an activity that would result in the Lysander *ActivETF* failing to qualify as a "mutual fund trust" for the purposes of the Tax Act. In addition, each Lysander *ActivETF* must not invest in any property or

engage in any undertaking that would cause the Lysander *Activ*ETF to be a “SIFT trust” as defined in the Tax Act.

## **FEES AND EXPENSES**

This section details the fees and expenses that an investor may have to pay if the investor invests in the Lysander *Activ*ETFs. An investor may have to pay some of these fees and expenses directly. The Lysander *Activ*ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Lysander *Activ*ETFs.

### **Fees and Expenses Payable by the Lysander *Activ*ETFs**

#### ***Management Fee***

Each Lysander *Activ*ETF pays a management fee to the Manager based on the annual rate set forth in the table below and the NAV of the Units of that Lysander *Activ*ETF. This management fee, plus applicable taxes, is calculated and accrued daily and paid monthly.

<b>Lysander <i>Activ</i>ETF</b>	<b>Management fee (annual rate)</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	0.25%
Lysander-Canso Floating Rate <i>Activ</i> ETF	0.35%
Lysander-Slater Preferred Share <i>Activ</i> ETF	0.65%

As investment fund manager, the Manager is responsible for the day-to-day business, operations and affairs of the Lysander *Activ*ETFs and provides marketing and administrative services to the Lysander *Activ*ETFs, including office space and facilities, clerical help, bookkeeping, internal accounting services and Unitholder reporting and servicing requirements.

To encourage very large investments in a Lysander *Activ*ETF by a particular Unitholder, the Manager may, in its discretion, agree to charge the Lysander *Activ*ETF a reduced management fee as compared to the management fee that it otherwise would be entitled to receive. Any reduction will depend on a number of factors, including the amount invested, the NAV of the Lysander *Activ*ETF and the expected amount of account activity. The amount of the reduction is distributed periodically by the Lysander *Activ*ETF to the Unitholder as a management fee distribution. Management fee distributions, if any, will be paid first out of the net income and net realized capital gains of the Lysander *Activ*ETF and then out of capital. The income tax consequences of a management fee distribution will generally be borne by the Unitholder who receives the distribution. The availability, amount and timing of management fee distributions with respect to Units of a particular Lysander *Activ*ETF will be determined from time to time by the Manager in its sole discretion. The Manager reserves the right to discontinue or change the management fee distribution program at any time.

### ***Operating Expenses***

Each Lysander *Activ*ETF pays all of its operating expenses, including but not limited to: all brokerage expenses and commissions and any other trading expenses; expenses related to the implementation and on-going operation of the IRC; audit, custodial and legal expenses; valuation, accounting, unitholder servicing and recordkeeping costs; registrar and transfer agent fees; any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of Units of the Lysander *Activ*ETF; the cost of complying with governmental or regulatory requirements such as prospectus preparation and filing expenses and capital markets participation fees; listing and annual stock exchange fees; CDS fees; expenses related to the Reinvestment Plan including the fees of the Plan Agent; banking and interest expenses; the fees under or in respect of any derivative instrument used by the Lysander *Activ*ETF; any goods and services taxes, harmonized sales taxes or other taxes on those expenses; and any income, withholding or other taxes payable by the Lysander *Activ*ETF.

In their discretion, the Manager or a Portfolio Manager may pay certain of the expenses of a Lysander *Activ*ETF but any such payments shall not oblige the Manager or a Portfolio Manager to make similar future payments, and such payments may be stopped without notice to Unitholders.

### ***Fund of Funds***

A Lysander *Activ*ETF may, in accordance with applicable securities laws, invest in other Lysander *Activ*ETFs, other investment funds managed by the Manager or its affiliates and other exchange-traded funds managed by third parties. With respect to such investments, no management or incentive fees are payable by the Lysander *Activ*ETF that, to a reasonable person, would duplicate a fee payable by the other investment funds for the same service. Where a Lysander *Activ*ETF invests in an exchange-traded fund or other investment fund that is not managed by the Manager or its affiliate, the fees and expenses payable in connection with the management of that exchange-traded fund, including management and incentive fees, are not duplicative and are in addition to those payable by the Lysander *Activ*ETF. No sales or redemption fees are payable by the Lysander *Activ*ETF in relation to any purchase or redemption of the securities of such investment funds. Commissions may apply to the purchase or sale of exchange-traded fund securities.

### **Fees and Expenses Payable by the Manager**

#### ***Portfolio Manager Fees***

The Manager pays the fees of the Portfolio Managers.

### **Fees and Expenses Payable Directly by Unitholders**

#### ***Other Charges***

Unitholders who buy and sell their Units of a Lysander *Activ*ETF through the facilities of the TSX do not pay a fee directly to the Manager or the Lysander *Activ*ETF in respect of those purchases and sales.



The Manager or the Lysander *Activ*ETF may charge the Designated Broker and/or Dealers a fee to offset certain transaction costs associated with an issue, exchange or redemption of Units of the Lysander *Activ*ETF to or by such Designated Broker and/or Dealer. See “Purchases of Units” and “Redemption of Units.”

## **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units.

### **General Risks Relating to an Investment in the Lysander *Activ*ETFs**

#### ***General Risks of Investments***

The value of the underlying securities of the Lysander *Activ*ETFs may fluctuate in accordance with developments within and changes in the financial condition of the issuers of those underlying securities, the condition of equity, debt and currency markets and the economy generally and other factors.

#### ***Fluctuations in NAV***

The NAV per Unit of each Lysander *Activ*ETF will vary according to, among other things, the value of the securities held by the Lysander *Activ*ETF. The Manager, Portfolio Manager and a Lysander *Activ*ETF have no control over the factors that affect the value of the securities held by the Lysander *Activ*ETF, including factors unique to each issuer of the securities held by the Lysander *Activ*ETF, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

#### ***Interest Rate Risk***

The value of Lysander *Activ*ETFs that hold fixed income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will rise. When interest rates rise, the value of an existing bond will fall. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes. To the extent a Lysander *Activ*ETF invests in instruments with a negative yield (e.g. where there are negative interest rates), its value could be impaired.

A Lysander *Activ*ETF that holds dividend paying equity or preferred shares can also be affected by interest rates, as changes in the general level of interest rates may affect the value of dividend paying equity and preferred shares, which may go down in value as interest rates go up.

#### ***Liquidity of Investments***

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company’s securities may be illiquid if: (i) the company is not well known; (ii) there are

few outstanding shares; (iii) there are few potential buyers; (iv) there is not an active market; or (v) they cannot be resold because of a promise or an agreement.

In addition, in volatile markets securities that are generally liquid (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid. Securities in which a Lysander *ActivETF* invests may be thinly traded and relatively illiquid or may cease to be traded after the Lysander *ActivETF* invests. In such cases and in the event of extreme market activity, the Lysander *ActivETF* may not be able to liquidate its investments promptly if the need should arise. In addition, a Lysander *ActivETF*'s sales of thinly traded securities could depress the market value of such securities. Such circumstances or events could affect materially and adversely the amount of gain or loss the Lysander *ActivETF* may realize. In addition, if a Lysander *ActivETF* is unable to dispose of some or all of the securities held by it, the Lysander *ActivETF* may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities or may be able to do so only at prices that may not reflect the true value of the investments.

### ***Currency or Exchange Rate Risk***

The assets and liabilities of each Lysander *ActivETF* are valued in Canadian dollars. If a Lysander *ActivETF* valued in Canadian dollars holds a security denominated in a foreign currency, for the purposes of calculating the NAV of that Lysander *ActivETF*, the Manager converts, on a daily basis, the value of the security into Canadian dollars. Some Lysander *ActivETF*s may also purchase or obtain exposure to foreign currencies as investments. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the net asset value of the Lysander *ActivETF*. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a Lysander *ActivETF* holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If a Lysander *ActivETF* cannot exchange the currencies in which it is invested, that Lysander *ActivETF* may be unable to make distributions or process redemptions.

To manage the risk of foreign currency fluctuations and restrictions, certain Lysander *ActivETF*s may enter into forward currency hedging contracts with another party. Certain Lysander *ActivETF*s may also enter into forward currency contracts to increase exposure to a certain currency or to shift exposure to currency fluctuations from one currency to another. The use of forward currency contracts poses the risks set out under *Use of Derivative Instruments* below.

### ***Risk of Cease Trading of Securities Held by the Lysander ActivETFs***

If securities held by a Lysander *ActivETF* are cease-traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units of that Lysander *ActivETF* until such time as the transfer of the securities is permitted. As a result, for a Lysander *ActivETF* that holds securities traded on an exchange or other organized market, such Lysander *ActivETF* bears the risk of cease trading orders against any security held by it.

### ***Subscription Risk***

Subscriptions for Units by the Designated Broker and Dealers may impact the market for the securities held by a Lysander *ActivETF*, as the Designated Broker or Dealer seeks to buy or to borrow the securities to constitute the Baskets of Securities to be delivered to the Lysander *ActivETF* as payment for the Units to be issued.

### ***Substantial Redemption Risk***

If holders of a substantial number of Units of a Lysander *ActivETF* exercise their redemption rights, the number of Units outstanding and the NAV of that Lysander *ActivETF* could be significantly reduced. If a substantial number of Units are redeemed, this could decrease the trading liquidity of the Units in the market and increase the management expense ratio of the Lysander *ActivETF*, resulting in a potentially lower distribution per Unit. In addition, if holders of a substantial number of Units of a Lysander *ActivETF* exercise their redemption rights, the Lysander *ActivETF* may be forced to sell securities at unfavourable prices to pay the proceeds of redemption. This unexpected sale may have a negative impact on the value of an investment in the Lysander *ActivETF*. Large redemption requests for Units of a Lysander *ActivETF* could also force the Lysander *ActivETF* to terminate.

### ***Trading Price of Units***

Units of a Lysander *ActivETF* may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units of a Lysander *ActivETF* will fluctuate in accordance with changes in the Lysander *ActivETF*'s NAV, as well as market supply and demand on the TSX. Generally in periods of volatile and abnormal market conditions, larger and more sustained differences between trading prices and NAV per Unit are possible.

### ***Securities Lending***

A Lysander *ActivETF* may engage in securities lending in accordance with NI 81-102. Although it will receive collateral for the loans and such collateral will be marked-to-market, the Lysander *ActivETF* may be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

### ***Changes in Legislation***

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects a Lysander *ActivETF* or its Unitholders. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts, or SIFT trusts will not be changed in a manner that adversely affects a Lysander *ActivETF* or its Unitholders.

### ***Taxation of the Lysander ActivETFs***

The Lysander *ActivETFs* will be subject to certain tax risks generally applicable to Canadian investment funds, including the following.

Lysander-Slater Preferred Share *ActivETF* currently qualifies and is expected to continue to qualify as a “mutual fund trust” for the purposes of the Tax Act. Each of Lysander-Canso Corporate Treasury *ActivETF* and Lysander-Canso Floating Rate *ActivETF* is expected to qualify or be deemed to qualify as a “mutual fund trust” for the purposes of the Tax Act effective from the date of its creation and at all material times thereafter. If a Lysander *ActivETF* fails to or ceases to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations described under the heading “Income Tax Considerations” could be materially and adversely different in some respects. For example, if a Lysander *ActivETF* does not qualify as a “mutual fund trust” under the Tax Act it will be treated as a “financial institution” for purposes of certain special mark-to-market rules in the Tax Act if more than 50% of the Units of the Lysander *ActivETF* are held by one or more Unitholders that are themselves considered to be “financial institutions” under those rules. In such a case, the Lysander *ActivETF* will be required to recognize on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in the amounts distributed to Unitholders. Each time a Lysander *ActivETF* becomes or ceases to be a financial institution in accordance with the mark-to-market rules, the tax year of the Lysander *ActivETF* will be deemed to end immediately before that time, and gains or losses accrued on certain securities before that time will be deemed realized by the Lysander *ActivETF* and will be distributed to Unitholders. A new taxation year for the Lysander *ActivETF* will then begin, and for that and subsequent taxation years, for so long as not more than 50% of the Units of the Lysander *ActivETF* are held by financial institutions, or the Lysander *ActivETF* is a mutual fund trust for purposes of the Tax Act, the Lysander *ActivETF* will not be subject to the mark-to-market rules. As Units are sold directly to dealers, and those Units are then traded on an exchange or marketplace, a Lysander *ActivETF* does not know generally who the owners of its Units are. Accordingly, there will be circumstances in which it will not be possible to control or identify whether a Lysander *ActivETF* has, or has ceased to become, a financial institution. As a result, there can be no assurance a Lysander *ActivETF* is not a “financial institution” or will not in the future become, or cease to be, a “financial institution”, and no assurance as to when and to whom any distributions arising on the change in “financial institution” status will be made, or that the Lysander *ActivETF* will not be required to pay tax on any undistributed income or taxable capital gains realized by it on such event.

There can be no assurance that the CRA will agree with the tax treatment adopted by a Lysander *ActivETF* in filing its tax return and the CRA could reassess a Lysander *ActivETF* on a basis that results in tax being payable by the Lysander *ActivETF* or its Unitholders. For example, in determining its income for tax purposes, each Lysander *ActivETF* will treat gains or losses in respect of portfolio securities as capital gains and losses. In addition, gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the portfolio of a Lysander *ActivETF* will likely constitute capital gains or capital losses if the portfolio securities are capital property to the Lysander *ActivETF* and there is sufficient linkage. Designations with respect to the income and capital gains of the Lysander *ActivETFs* will be made and reported to Unitholders on this basis. If the dispositions or transactions of a Lysander *ActivETF* are determined not to be on

capital account, the net income of the Lysander *Activ*ETF for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination by the CRA may result in a Lysander *Activ*ETF being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV or NAV per Unit.

If a Lysander *Activ*ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, allocation of fund-level capital gains may be permitted pursuant to the Declaration of Trust. Recent amendments to the Tax Act will deny a Lysander *Activ*ETF a deduction for the portion of the capital gain of the Lysander *Activ*ETF allocated and designated to a Unitholder on an exchange or redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholder's proceeds of disposition are reduced by the designation. Any capital gains that would have been allocated and designated to exchanging or redeeming Unitholders in the absence of these recent amendments to the Tax Act will be made payable to the remaining non-redeeming Unitholders to ensure the Lysander *Activ*ETF will not be liable for non-refundable income tax thereon. As a result, the amounts of taxable distributions made to Unitholders of the Lysander *Activ*ETFs may be greater than they would have been if the amendments had not been enacted. However, if certain Tax Proposals are enacted as proposed (the "**ATR Rule**"), the preceding limitation will not apply. Instead, pursuant to the ATR Rule, a Lysander *Activ*ETF will be able to designate capital gains to Unitholders on an exchange or redemption of Units in an amount determined by a formula (the "**Capital Gains Designation Limit**") which is based on (i) the amount of capital gains designated to Unitholders on an exchange or redemption of Units in the taxation year, (ii) the total amount paid for exchanges or redemptions of the Units in the taxation year, (iii) the Lysander *Activ*ETF's NAV at the end of the taxation year and the end of the previous taxation year, and (iv) the Lysander *Activ*ETF's net taxable capital gains for the taxation year. The amount of capital gains allocated and designated to each redeeming or exchanging Unitholder shall be equal to the Unitholder's *pro rata* share of the Capital Gains Designation Limit.

The Tax Act contains loss restriction rules that may apply to a trust, including the Lysander *Activ*ETFs in certain circumstances. The loss restriction rules generally apply at any time when a person, partnership or group becomes a majority-interest beneficiary, or a majority interest group of beneficiaries, of the trust, unless the trust meets certain investment requirements and qualifies as an "investment fund" under the rules. If applicable, the taxation year of the Lysander *Activ*ETF will be deemed to end and an automatic distribution of income and net capital gains may occur under the terms of the Declaration of Trust so that the Lysander *Activ*ETF will not be liable for income tax. Because of the way Units are bought and sold, it may not be possible for a Lysander *Activ*ETF to determine if or when a person, partnership or group has become a majority interest beneficiary or a majority interest group of beneficiaries. Therefore, there can be no assurances that a Lysander *Activ*ETF has not or will not in the future be subject to the loss restriction rules and there can be no assurances regarding when or to whom the distributions resulting from a loss restriction event will be made, or that a Lysander *Activ*ETF will not be required to pay tax notwithstanding such distributions. It is expected that the Lysander *Activ*ETFs will qualify as "investment funds" under the rules.

A Lysander *Activ*ETF will be a "SIFT trust" (as defined in the Tax Act) if it holds a "non-portfolio property" (as defined in the Tax Act), or holds derivative instruments or any other property in its

portfolio in the course of carrying on a business in Canada. If a Lysander *Activ*ETF is a SIFT trust, it will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, “non-portfolio earnings” under the Tax Act). Unitholders who receive distributions from a Lysander *Activ*ETF of this income and gain are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by a Lysander *Activ*ETF on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Declaration of Trust requires a Lysander *Activ*ETF to restrict its investments and activities so that it will not become a “SIFT trust”; however, no assurance can be given in this regard.

### ***Absence of an Active Public Trading Market***

Although the Units of Lysander-Slater Preferred Share *Activ*ETF are listed on the TSX, there can be no assurance that an active public market for the Units will be sustained.

The Manager, on behalf of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF, has applied to list the Units of these Lysander *Activ*ETFs on the TSX. The TSX has conditionally approved the listing of the Units of these Lysander *Activ*ETFs. Listing is subject to these Lysander *Activ*ETFs fulfilling all of the requirements of the TSX before July 8, 2023. Although Units of each of these Lysander *Activ*ETFs may be listed on the TSX, there can be no assurance that an active public market for their Units will develop or be sustained.

### ***Use of Derivative Instruments***

The Lysander *Activ*ETFs may use derivative instruments from time to time in accordance with NI 81-102 as described under “Investment Strategies.” The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) a hedging strategy may not be effective and may not achieve the intended effect; (ii) derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when a Lysander *Activ*ETF wants to buy or sell; (iii) there is no guarantee that a Lysander *Activ*ETF will be able to find an acceptable counterparty willing to enter into a derivative contract; (iv) the counterparty to a derivative contract may not be able to meet its obligations, which could result in a financial loss for a Lysander *Activ*ETF; (v) a large percentage of the assets of a Lysander *Activ*ETF may be placed on deposit with one or more counterparties, which exposes the Lysander *Activ*ETF to the credit risk of those counterparties; (vi) securities exchanges may set daily trading limits or halt trading, which may prevent a Lysander *Activ*ETF from selling a particular derivative contract; (vii) the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading; (viii) derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada; (ix) the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for a Lysander *Activ*ETF to use certain derivatives; (x) costs relating to entering and maintaining derivatives contracts by a Lysander

*ActivETF* may reduce the returns of the Lysander *ActivETF*; (xi) the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by a Lysander *ActivETF*; (xii) the price of a derivative may not accurately reflect the value of the underlying asset; and (xiii) the Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

### ***Investing in Other Investment Funds***

If a Lysander *ActivETF* invests in another investment fund (including another exchange-traded fund), the risks associated with investing in that investment fund include the risks associated with the securities in which that investment fund invests, along with the other risks of that investment fund. Accordingly, the Lysander *ActivETF* takes on the risk of the investment fund in which it invests and its respective securities in proportion to the Lysander *ActivETF*'s investment in that investment fund. If the investment fund suspends redemptions, the Lysander *ActivETF* may be unable to value the portion of its portfolio that is invested in the investment fund.

### ***Cyber Security***

As the use of technology has become more prevalent in the course of business, the Lysander *ActivETFs* have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Lysander *ActivETF* to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Lysander *ActivETF* to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Lysander *ActivETFs*' digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Lysander *ActivETFs*' third party service providers (e.g., Portfolio Managers, Designated Broker, Custodian, Registrar and Transfer Agent and Fund Administrator) or issuers that the Lysander *ActivETFs* invest in can also subject the Lysander *ActivETFs* to many of the same risks associated with direct cyber security breaches. As with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third party service providers.

### ***Cease Trading of Units***

Trading of Units of the Lysander *ActivETFs* on the TSX may be halted by the activation of individual or marketwide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Units may also be halted if (i) the Units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

### ***Force Majeure and Events Beyond Reasonable Control of any Party***

Natural disasters, incidences of war, riot or civil unrest, terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses (including the novel coronavirus (COVID-19)) can materially adversely affect the Lysander *Activ*ETFs' business, financial condition, liquidity or results of operations. The current COVID-19 global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of a global recession. The international response to COVID-19 has included significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity, globally. *Force majeure* events can also result in operating, supply chain and project development delays that can materially adversely affect the operations of third parties in which the Lysander *Activ*ETFs have an interest. The duration of any business disruptions and related financial impact of any *force majeure* event cannot be reasonably estimated. It is unknown whether and how the Lysander *Activ*ETF may be affected if a *force majeure* event persists for an extended period of time.

### **Additional Risks Relating to an Investment in one or more Lysander *Activ*ETFs**

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Lysander *Activ*ETFs as indicated in the table below. A description of each of these risks, listed in the order as they appear in the table below, follows.

<b>Lysander <i>Activ</i>ETF</b>	<b>Additional Risks</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	the risks associated with IBOR transition; the risks associated with short selling
Lysander-Canso Floating Rate <i>Activ</i> ETF	the risks associated with IBOR transition; the risks associated with short selling
Lysander-Slater Preferred Share <i>Activ</i> ETF	the risks associated with investing in preferred shares; the risks associated with relying on key personnel for portfolio management services

### ***IBOR Transition***

Various regulators and industry bodies are working globally on transitioning from interbank offered rates (“**IBORs**”), including the London Interbank Offered Rate (LIBOR), to alternative rates. The effect of such a transition on a Lysander *Activ*ETF and the securities in which it invests cannot yet be determined, and may depend on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts; and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Such transition may result in a reduction in the value of IBOR-based instruments held by a Lysander *Activ*ETF and increased illiquidity and volatility in markets that



currently rely on an IBOR to determine interest rates, any of which could adversely impact a Lysander *Activ*ETF's performance.

### ***Short Selling***

A short sale by a Lysander *Activ*ETF involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Lysander *Activ*ETF and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Lysander *Activ*ETF pays interest to the lender. If the value of the securities declines between the time that the Lysander *Activ*ETF borrows the securities and the time it repurchases and returns the securities to the lender, the Lysander *Activ*ETF makes a profit on the difference (less any interest the Lysander *Activ*ETF is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for a Lysander *Activ*ETF. Securities sold short may instead appreciate in value creating a loss for a Lysander *Activ*ETF. A Lysander *Activ*ETF may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a Lysander *Activ*ETF has borrowed securities may go bankrupt and a Lysander *Activ*ETF may lose the collateral it has deposited with the lender. The Lysander *Activ*ETFs will adhere to controls and limits that are intended to mitigate these risks including the restrictions and limits prescribed by NI 81-102.

### ***General Risks of Preferred Share Investments***

Unlike interest payments on debt securities, dividend payments on preferred shares typically must be declared by the issuer's board of directors. An issuer's board of directors is generally not under any obligation to pay dividends (even if such dividends have accrued), and may suspend payment of dividends on preferred shares at any time. In the event that an issuer of preferred shares experiences economic difficulties, the issuer's preferred shares may lose value due to the reduced likelihood that the issuer's board of directors will declare a dividend or that they will make scheduled dividend payments, and the fact that the preferred shares may be subordinated to other securities of the issuer.

In addition, because many preferred shares allow holders to convert preferred shares into common shares of the issuer, their market price can be sensitive to changes in the value of the issuer's common shares. To the extent that Lysander-Slater Preferred Share *Activ*ETF invests a substantial portion of its assets in convertible preferred shares, declining common share values may also cause the value of Lysander-Slater Preferred Share *Activ*ETF's investments to decline.

### ***Reliance on Key Personnel***

Lysander-Slater Preferred Share *Activ*ETF relies primarily on the services of a limited number of individuals employed at Slater with respect to securities selection and their ability to manage that Lysander *Activ*ETF in order to achieve its investment objective. There is no certainty that the individuals who are principally responsible for providing portfolio manager services will continue to be employed by Slater. The loss of such individuals for any reason could adversely affect the Lysander *Activ*ETF.

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

We identify the investment risk level of each Lysander *Activ*ETF as an additional guide to help you decide whether the Lysander *Activ*ETF is right for you. Each Lysander *Activ*ETF is assigned a risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high or high.

The investment risk level of each Lysander *Activ*ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the Lysander *Activ*ETF's historical volatility as measured by the 10-year annualized standard deviation of the returns of the Lysander *Activ*ETF. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of the Lysander *Activ*ETF's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. The standard deviation represents, generally, the level of volatility in returns that an exchange-traded fund has historically experienced over the set measurement periods. The higher the standard deviation of a Lysander *Activ*ETF, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

As none of the Lysander *Activ*ETFs have a 10-year return history, we calculate the investment risk level of each Lysander *Activ*ETF by using the actual return history of the Lysander *Activ*ETF and, for the remainder of the 10-year period, the return history of a reference index that reasonably approximates the standard deviation of the Lysander *Activ*ETF. For this particular purpose, the following chart sets out the risk rating of each Lysander *Activ*ETF, the reference index used and a description of the reference index:

<b>Lysander <i>Activ</i>ETF</b>	<b>Risk Rating</b>	<b>Reference Index</b>	<b>Description</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	Low	ICE BofA 0-1 Year Canada Government Index	The ICE BofA 0-1 Year Canada Government Index tracks the performance of Canadian dollar-denominated sovereign debt with less than a year to maturity publicly issued by the Canadian government in its domestic market. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of CAD 1 billion.
Lysander-Canso Floating Rate <i>Activ</i> ETF	Low	ICE BofA 0-1 Year Canada Government Index	The ICE BofA 0-1 Year Canada Government Index tracks the performance of Canadian dollar-denominated sovereign debt with less than a year to maturity publicly issued

<b>Lysander <i>Activ</i>ETF</b>	<b>Risk Rating</b>	<b>Reference Index</b>	<b>Description</b>
			by the Canadian government in its domestic market. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of CAD 1 billion.
Lysander-Slater Preferred Share <i>Activ</i> ETF	Medium	S&P/TSX Preferred Share Total Return Index	The S&P/TSX Preferred Share Total Return Index is comprised of preferred stocks trading on the TSX that meet criteria relating to minimum size, liquidity, issuer rating and exchange listing.

Other types of risk, both measurable and non-measurable, may exist. It is also important to note that an exchange-traded fund's historical volatility may not be indicative of its future volatility.

Although monitored on an ongoing basis, we review the investment risk level of each Lysander *Activ*ETF on an annual basis and each time a material change is made to the Lysander *Activ*ETF's investment strategies and/or investment objective. We may exercise our discretion and assign a Lysander *Activ*ETF a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Lysander *Activ*ETF may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The method that we use to identify the investment risk level of the Lysander *Activ*ETFs is available on request, at no cost, by calling us at 1-877-308-6979 or by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

## **DISTRIBUTION POLICY**

### **Distributions**

Cash distributions on Units of the Lysander *Activ*ETFs, if any, will be paid as set out in the table below.

<b>Lysander <i>Activ</i>ETF</b>	<b>Cash Distributions Frequency</b>
Lysander-Canso Corporate Treasury <i>Activ</i> ETF	Monthly
Lysander-Canso Floating Rate <i>Activ</i> ETF	Monthly

Lysander-Slater Preferred Share <i>Activ</i> ETF	Monthly
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Cash distributions will consist of income, capital gains and/or returns of capital.

Each year, each Lysander *Activ*ETF intends to distribute a sufficient amount of its net income and net realized capital gains for the year to Unitholders so that the Lysander *Activ*ETF will not be liable for ordinary income tax. To the extent that a Lysander *Activ*ETF has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to Unitholders at the end of the year and that distribution will be automatically reinvested in additional Units. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. These reinvested distributions may be subject to withholding tax.

Units of each Lysander *Activ*ETF trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that subscribes for Units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those Units.

Subject to the limits imposed under the Tax Act, capital gains of a Lysander *Activ*ETF may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units.

Management fee distributions, if any, will be paid first out of the net income and net realized capital gains of a Lysander *Activ*ETF and then out of capital.

The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations.”

### **Reinvestment Plan**

The Manager may implement a Reinvestment Plan under which cash distributions are used to purchase Plan Units in the market and are credited to the Plan Participant through CDS. Following implementation of the Reinvestment Plan, a Unitholder who wishes to enrol in the Reinvestment Plan as of a particular distribution record date should notify his, her or its CDS Participant sufficiently in advance of that distribution record date to allow the CDS Participant to notify CDS no later than 3:00 p.m. (Toronto time) on that distribution record date.

### ***Fractional Units***

No fractional Plan Units will be delivered under the Reinvestment Plan. Payment in cash for any remaining uninvested funds may be made in lieu of delivering fractional Plan Units by the Plan Agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the Plan Participant, via the applicable CDS Participant.

### ***Amendments, Suspension or Termination of the Reinvestment Plan***

Plan Participants will be able to terminate their participation in the Reinvestment Plan as of a particular distribution record date by notifying their CDS Participant no later than 4:00 p.m. (Toronto time) at least two business days prior to the applicable distribution record date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the Plan Participant exercising its rights to terminate participation in the Reinvestment Plan.

The Manager is permitted to terminate the Reinvestment Plan, in its sole discretion, upon not less than 30 days' notice to the Plan Participants and the Plan Agent, subject to any required regulatory approval. The Manager is also permitted to amend, modify or suspend the Reinvestment Plan at any time, in its sole discretion, provided that it complies with certain requirements, and gives notice of such amendment, modification or suspension to the Plan Participants and the Plan Agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner that the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the Reinvestment Plan. The Manager reserves the right to regulate and interpret the Reinvestment Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Reinvestment Plan.

### ***Other Provisions***

Participation in the Reinvestment Plan is restricted to Unitholders who are residents of Canada for the purposes of the Tax Act or "Canadian partnerships" as defined in the Tax Act. Immediately upon becoming a non-resident of Canada or ceasing to be a Canadian partnership, a Plan Participant is required to notify his, her or its CDS Participant and terminate participation in the Reinvestment Plan.

The automatic reinvestment of distributions under the Reinvestment Plan does not relieve Plan Participants of any income tax applicable to the distributions. See "Income Tax Considerations."

## **PURCHASES OF UNITS**

### **Continuous Distribution**

Units of the Lysander *Activ*ETFs are being offered on a continuous basis and there is no maximum number of Units that may be issued.

### **Designated Broker**

The Manager, on behalf of each Lysander *Activ*ETF, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to one or more of the Lysander *Activ*ETFs including, without

limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX's original listing requirements; (ii) to subscribe for Units when cash redemptions of Units occur as described under "Redemption of Units"; and (iii) to post a liquid two-way market for the trading of Units on the TSX.

The Manager may from time to time and, in any event, not more than once quarterly, require the Designated Broker to subscribe for Units of a Lysander *Activ*ETF for cash. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the second Trading Day after the subscription notice has been delivered.

## **Issuance of Units**

### ***To the Designated Broker and Dealers***

Generally, all orders to purchase Units directly from a Lysander *Activ*ETF must be placed by the Designated Broker or Dealers. Each Lysander *Activ*ETF reserves the absolute right to reject any subscription order placed by the Designated Broker or a Dealer. No fees will be payable by a Lysander *Activ*ETF to the Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, an amount may be charged to the Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

After the initial issuance of Units of a Lysander *Activ*ETF to the Designated Broker to satisfy the TSX's original listing requirements, on any Trading Day, a Dealer (who may also be the Designated Broker) may place a subscription order for the minimum of a Prescribed Number of Units (and any additional multiple thereof) of the Lysander *Activ*ETF. If a subscription order is received by the Lysander *Activ*ETF by the applicable Cut-Off Time on a Trading Day, the Lysander *Activ*ETF will issue to the Dealer a minimum of a Prescribed Number of Units (and any additional multiple thereof) based on the NAV per Unit determined on such Trading Day. If a subscription order is not received by the applicable Cut-Off Time on a Trading Day, subject to the discretion of the Manager, the subscription order will be deemed to be received only on the next Trading Day. The Cut-Off Time for the Lysander *Activ*ETF for subscriptions and exchanges is 2:00 p.m. (Toronto time) on a Trading Day (or such later time on such Trading Day as the Manager may permit).

For each Prescribed Number of Units issued, a Dealer must deliver payment consisting of, in the Portfolio Manager's discretion, (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

The Manager will make available to the Designated Broker and the Dealers information as to the Prescribed Number of Units and the Basket of Securities for each Lysander *Activ*ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

### ***To the Designated Broker in Special Circumstances***

Units may also be issued by a Lysander *Activ*ETF to the Designated Broker in certain special circumstances, including when cash redemptions of Units occur as described under “Redemption of Units – Redemption of Units in any Number for Cash.”

### ***To Unitholders***

Units may be issued by a Lysander *Activ*ETF to Unitholders on the automatic reinvestment of certain distributions as described under “Distribution Policy – Distributions,” and “Income Tax Considerations — Taxation of the Lysander *Activ*ETF.”

### **Buying and Selling Units**

Units of Lysander-Slater Preferred Share *Activ*ETF are listed on the TSX and an investor may buy or sell Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

The Manager, on behalf of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF, has applied to list the Units of these Lysander *Activ*ETFs on the TSX. The TSX has conditionally approved the listing of the Units of these Lysander *Activ*ETFs. Listing is subject to these Lysander *Activ*ETFs fulfilling all of the requirements of the TSX before July 8, 2023. Subject to satisfying the TSX’s listing requirements, Units of these Lysander *Activ*ETFs will be listed on the TSX and offered on a continuous basis and an investor will be able to buy or sell these Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. Investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders. Unitholders may redeem Units in any number for cash, for a redemption price equal to the lesser of (i) 95% of the closing price on the TSX for the Units on the effective day of the redemption and (ii) the NAV per Unit on the effective day of the redemption, or may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for securities and cash or, in certain circumstances, for cash. See “Redemption of Units.”

The Lysander *Activ*ETFs will issue Units directly to the Designated Brokers and Dealers.

From time to time, as may be agreed by a prospective purchaser and a Designated Broker or Dealer, the Designated Broker or Dealer may agree to accept securities as payment for Units from a prospective purchaser.

## **Special Considerations for Unitholders**

The provisions of the so-called “early warning” reporting requirements in Canadian securities legislation do not apply in connection with the acquisition of Units of a Lysander *Activ*ETF. The Lysander *Activ*ETFs have obtained exemptive relief from the securities regulatory authorities to permit Unitholders to acquire more than 20% of the Units of any Lysander *Activ*ETF without regard to the takeover bid requirements of applicable Canadian securities legislation.

## **Non-Resident Unitholders**

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of any Lysander *Activ*ETF at any time during which more than 10% of the property of the Lysander *Activ*ETF consists of certain “taxable Canadian property” (as defined in the Tax Act). The Manager shall inform the Registrar and Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a Lysander *Activ*ETF then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may, on behalf of such Unitholders, sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager reasonably determines that the failure to take any such action would not adversely impact the status of the Lysander *Activ*ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Lysander *Activ*ETF as a mutual fund trust for purposes of the Tax Act. Such action may include, without limitation, causing the Lysander *Activ*ETF to redeem the Units of that Unitholder for a redemption price equal to their NAV per Unit on the redemption date.

## **Registration and Transfer through CDS**

Registration of interests in, and transfers of, the Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or



delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable Unitholders. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

None of the Lysander *Activ*ETFs or the Manager will have any liability for (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Units must look solely to CDS Participants for payment made by the Lysander *Activ*ETFs to CDS.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Lysander *Activ*ETFs have the option to terminate registration of the Units through the book entry only system, in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

## **REDEMPTION OF UNITS**

### **Redemption of Units in any Number for Cash**

On any Trading Day, Unitholders may redeem Units of any Lysander *Activ*ETF in any number for cash at a redemption price per Unit equal to the lesser of (i) 95% of the closing price for the Units on the TSX on the effective day of the redemption, and (ii) the NAV per Unit on the effective day of the redemption. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered through a CDS Participant by 9:00 a.m. (Toronto time) on that day to the applicable Lysander *Activ*ETF at its head office or as the Manager may otherwise direct. If a cash redemption request is received after 9:00 a.m. (Toronto time) on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from the Manager.

Units of each Lysander *Activ*ETF trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that exercises this cash redemption right in respect of Units during the period commencing on and including the business day that is one business day prior to the distribution record date and ending on and including the distribution record date will be entitled to receive the applicable distribution in respect of those Units.

In connection with the redemption of Units, a Lysander *Activ*ETF will generally dispose of securities or other assets in order to fund the required redemption proceeds. The redemption price paid to a Unitholder may include capital gains realized by the Lysander *Activ*ETF. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The Manager reserves the right to cause a Lysander *Activ*ETF to redeem the Units held by a Unitholder at a price equal to the NAV per Unit on the effective date of such redemption if the Manager believes it is in the best interests of the Lysander *Activ*ETF to do so.

### **Exchange of Prescribed Number of Units**

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for Baskets of Securities and cash. To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the applicable Lysander *Activ*ETF at its head office or as the Manager may otherwise direct by the applicable Cut-Off Time on a Trading Day. The exchange price will be equal to the aggregate NAV per Unit of the Prescribed Number of Units on the effective day of the exchange request, payable by delivery of Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. In certain circumstances and only with the consent of the Manager, the exchange price may be paid fully in cash. In this case, the Manager may, in its discretion, require the Unitholder to pay or reimburse the applicable Lysander *Activ*ETF for the trading expenses incurred or expected to be incurred by the Lysander *Activ*ETF in connection with the sale by such Lysander *Activ*ETF of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable Units will be redeemed.

If an exchange request is not received by the applicable Cut-Off Time on a Trading Day, subject to the discretion of the Manager, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request.

The Manager will make available to the Designated Broker and the Dealers information as to the Prescribed Number of Units and the Basket of Securities for each Lysander *Activ*ETF for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

Units of each Lysander *Activ*ETF trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that exchanges or redeems Units during the period commencing on and including the business day that is one business day prior to the distribution record date and ending on and including the

distribution record date will be entitled to receive the applicable distribution in respect of those Units.

If securities held in the portfolio of a Lysander *Activ*ETF are cease-traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

### **Characterization of Redemption or Exchange Amount**

The exchange or redemption price paid to a Unitholder may include capital gains realized by the Lysander *Activ*ETF. The remaining portion of the exchange or redemption price will be proceeds of disposition.

### **Suspension of Exchanges and Redemptions**

The Manager may suspend the exchange and/or redemption of Units or the payment of the exchange or redemption price of a Lysander *Activ*ETF (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Lysander *Activ*ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Lysander *Activ*ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Lysander *Activ*ETF; or (ii) with the prior permission of the applicable securities regulatory authority. The suspension shall apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the official rules and regulations promulgated by any government body having jurisdiction over the Lysander *Activ*ETFs, any declaration of suspension made by the Manager shall be conclusive.

### **Costs Associated with Exchanges and Redemptions**

The Manager or a Lysander *Activ*ETF may charge the Designated Broker and/or Dealers a fee to offset certain transaction costs associated with an exchange or redemption of Units of the Lysander *Activ*ETF to or by such Designated Broker and/or Dealer.

Unitholders who buy and sell their Units through the facilities of the TSX do not pay a fee directly to the Manager or the Lysander *Activ*ETFs in respect of those purchases and sales.

### **Exchange and Redemption of Units through CDS Participants**

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that

they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify the Manager or as the Manager may direct prior to the relevant cut-off time.

### Short Term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the Lysander *Activ*ETFs at this time, as the Lysander *Activ*ETFs are exchange-traded funds that are primarily traded in the secondary market.

### PRICE RANGE AND TRADING VOLUME OF UNITS

The following tables set forth the market price range and trading volume of the Units of Lysander-Slater Preferred Share *Activ*ETF on the TSX for the calendar periods indicated. The greatest volume of trading of Lysander-Slater Preferred Share *Activ*ETF generally occurs on the TSX. As each of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF are new, this information is not yet available with respect to these Lysander *Activ*ETFs.

	Price (\$)		Volume
	High	Low	
<b>2021</b>			
July	10.30	9.98	48,657
August	10.20	9.85	173,963
September	10.25	10.09	103,366
October	10.47	10.19	105,223
November	10.51	10.23	139,769
December	10.26	9.96	63,943
<b>2022</b>			
January	10.48	10.28	167,684
February	10.41	9.83	128,958
March	10.08	9.79	117,263
April	10.00	9.05	51,687
May	9.70	9.15	51,303
June	9.86	9.00	118,965

### INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Lysander *Activ*ETFs and for a prospective investor in a Lysander *Activ*ETF that, for the purposes of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds Units of the Lysander *Activ*ETF either directly as capital property or in a Registered Plan, is not affiliated with the Lysander *Activ*ETF and deals at arm's length with the Lysander *Activ*ETF. This summary is based on the current provisions of the Tax Act, the Tax Proposals and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative

or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.**

This summary based on the following assumptions: (i) none of the issuers of securities held by a Lysander *Activ*ETF will at any time be treated as a “foreign affiliate” or a “controlled foreign affiliate” within the meaning of the Tax Act of the Lysander *Activ*ETF or any Unitholder; (ii) none of the securities held by a Lysander *Activ*ETF will be an “offshore investment fund property” as defined in section 94.1 of the Tax Act; (iii) a Lysander *Activ*ETF will not be a “SIFT trust” as defined in the Tax Act; (iv) none of the securities held by a Lysander *Activ*ETF will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act; and (v) a Lysander *Activ*ETF will not enter into any arrangement where the result is a “dividend rental arrangement” for the purposes of the Tax Act.

### **Status of the Lysander *Activ*ETFs**

This summary is also based on the assumption that each of the Lysander *Activ*ETFs will qualify or be deemed to qualify as a “mutual fund trust” under the Tax Act at all material times. The Manager has advised counsel that the Lysander *Activ*ETFs are expected to so qualify. If a Lysander *Activ*ETF does not qualify as a “mutual fund trust” at any time or for any period of time, the tax considerations for the Lysander *Activ*ETF and a prospective investor in the Lysander *Activ*ETF could be materially different than described below.

### **Eligibility for Investment**

The Units of a Lysander *Activ*ETF will be a qualified investment under the Tax Act for a Registered Plan at any time that the Lysander *Activ*ETF qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX. Units of the Lysander *Activ*ETFs are or are expected to be listed on the TSX.

Generally, the Units of a Lysander *Activ*ETF will not be a prohibited investment under the Tax Act for a tax-free savings account, registered retirement savings plan, registered retirement income fund, registered education savings plan or registered disability savings plan if the holder/annuitant/subscriber of that Registered Plan (together with non-arm’s length persons and partnerships) directly or indirectly holds Units having a fair market value of less than 10% of all the Units of the Lysander *Activ*ETF. Investors should consult their own tax advisor for advice on whether or not Units would be prohibited investments for their Registered Plans.

In the case of a disposition of Units of a Lysander *Activ*ETF by a Registered Plan in exchange for a Basket of Securities or a distribution *in specie* on the termination of the Lysander *Activ*ETF, the Registered Plan will receive securities. The securities so received may or may not be qualified investments for the Registered Plan and may or may not be prohibited investments for the Registered Plan. Investors should consult their own tax counsel for advice on whether or not such

securities would be qualified investments and not prohibited investments for their Registered Plans.

### **Taxation of the Lysander *Activ*ETF**

Each of the Lysander *Activ*ETFs is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carryforwards) to the extent that it is not paid or payable to Unitholders. A Lysander *Activ*ETF is entitled to a refund (the “**Capital Gains Refund**”) of its tax liability on its net realized capital gains equal to an amount determined by formula under the Tax Act based on the redemption of Units during the year and accrued gains on the Lysander *Activ*ETF’s assets. The Capital Gains Refund for a particular taxation year may not completely offset the tax liabilities of the Lysander *Activ*ETF with respect to capital gains for such taxation year, which may arise upon the sale or other disposition of securities in connection with the redemption of Units. The Declaration of Trust requires a Lysander *Activ*ETF to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that the Lysander *Activ*ETF will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any applicable losses of the Lysander *Activ*ETF and the Capital Gains Refund to which the Lysander *Activ*ETF is entitled.

Each of the Lysander *Activ*ETFs is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. A Lysander *Activ*ETF is generally required to include in the calculation of its income interest as it accrues and capital gains and losses when they are realized. A Lysander *Activ*ETF is required to include in computing its income for each taxation year dividends received (or deemed to be received) by it in such taxation year on a security held in its portfolio. Distributions of business income and non-portfolio earnings by a Canadian resident, publicly-traded trust that is a “SIFT trust” under the Tax Act are treated as taxable dividends received from a Canadian resident corporation. Generally, income that is paid or becomes payable by a trust that is not a SIFT trust under the Tax Act (including a real estate investment trust that is not a SIFT trust under the Tax Act) to a Lysander *Activ*ETF in a calendar year is included in the Lysander *Activ*ETF’s income for the taxation year that ends in the calendar year. Amounts paid or payable by a Canadian resident trust that is not a SIFT trust may have the character of ordinary property income, dividends received from a taxable Canadian corporation, capital gains or non-taxable capital.

In computing its income under the Tax Act, a Lysander *Activ*ETF may deduct reasonable administrative and other expenses incurred to earn income, in accordance with the rules in the Tax Act.

A Lysander *Activ*ETF generally may be subject to loss restriction rules at any time when a person, partnership or group becomes a “majority-interest beneficiary,” or a “majority interest group of beneficiaries”, as defined in the Tax Act, of the Lysander *Activ*ETF, unless the Lysander *Activ*ETF meets certain investment requirements and qualifies as an “investment fund” under the rules. A Unitholder will be a majority-interest beneficiary of a Lysander *Activ*ETF at any time when Units

held by that Unitholder and all persons with whom that Unitholder is affiliated represent more than 50% of the fair market value of the Lysander *Activ*ETF. Each time the loss restriction rules apply, the taxation year of a Lysander *Activ*ETF will be deemed to end and the Lysander *Activ*ETF will be deemed to realize its capital losses. A Lysander *Activ*ETF may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted losses will expire and may not be deducted by the Lysander *Activ*ETF in future years. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of a Lysander *Activ*ETF for each taxation year (including a taxation year that is deemed to end by virtue of the loss restriction rules) so that the Lysander *Activ*ETF will not be liable for income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Lysander *Activ*ETF and the Units of the Lysander *Activ*ETF are immediately consolidated to the pre-distribution NAV.

Gains or losses realized by a Lysander *Activ*ETF on the disposition of securities held by it constitute capital gains or capital losses unless the Lysander *Activ*ETF is considered to be trading or dealing in securities, or otherwise carrying on a business of buying and selling securities, or has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that each of the Lysander *Activ*ETFs purchases securities (other than derivative instruments) with the objective of earning income thereon and takes the position that gains and losses realized on the disposition of its securities (other than gains and losses on certain derivative instruments) are capital gains and capital losses. In certain circumstances, losses realized by a Lysander *Activ*ETF may be suspended or restricted under the Tax Act, and therefore would be unavailable to shelter capital gains or income. Generally, a gain and loss from a cash settled option, futures contract, forward contract, total return swap and other derivative instrument is treated on account of income rather than as a capital gain or loss unless the derivative is used by the Lysander *Activ*ETF as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Lysander *Activ*ETF.

A Lysander *Activ*ETF will enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of portfolio securities. The cost and proceeds of disposition of securities and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by a Lysander *Activ*ETF may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio will likely constitute capital gains and capital losses to the Lysander *Activ*ETF if the portfolio securities are capital property to the Lysander *Activ*ETF, and provided that the hedge is sufficiently linked.

Pursuant to the Declaration of Trust, all or a portion of the amount paid or considered to be paid to a Unitholder on an exchange or redemption of Units of a Lysander *Activ*ETF may be treated, at the Manager's discretion, as a payment to the Unitholder out of capital gain realized by the Lysander *Activ*ETF in connection with the redemption or exchange rather than as proceeds of disposition. As noted in the "Risk Factors – Taxation of the Lysander *Activ*ETFs", recent amendments to the Tax Act will deny a Lysander *Activ*ETF a deduction for the portion of the capital gain of the Lysander *Activ*ETF allocated and designated to a Unitholder on an exchange or redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the

Unitholder's proceeds of disposition are reduced by the designation. However, if the ATR Rule is enacted as proposed, a Lysander *Activ*ETF will be able to designate capital gains to Unitholders on an exchange or redemption of Units up to the Capital Gains Designation Limit. The Manager does not intend to allocate capital gains to exchanging or redeeming Unitholders in a manner that would result in the allocated amounts being non-deductible under the Tax Act, or if enacted, the ATR Rule.

Net capital losses and non-capital losses of a Lysander *Activ*ETF for a taxation year cannot be allocated to Unitholders, but generally can be carried forward to be used to shelter income and capital gains of the Lysander *Activ*ETF in future taxation years in accordance with the Tax Act.

### **Taxation of Unitholders (other than Registered Plans)**

#### ***Distributions***

A Unitholder is required to include in the calculation of income for tax purposes, the amount of any income and the taxable portion of any capital gains of a Lysander *Activ*ETF that is paid or payable to the Unitholder in the year (including by way of management fee distributions), whether or not such amounts are paid in cash or reinvested in additional Units. The non-taxable portion of any capital gains of a Lysander *Activ*ETF that is paid or payable to the Unitholder in the year is not included in the Unitholder's income and, provided the Lysander *Activ*ETF makes the appropriate designation in its tax return, does not reduce the adjusted cost base of the Unitholder's Units of the Lysander *Activ*ETF. Any other non-taxable distribution (including by way of management fee distributions), such as a return of capital, reduces the Unitholder's adjusted cost base. A Unitholder is deemed to realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise become a negative amount and the adjusted cost base is nil immediately thereafter.

A Lysander *Activ*ETF may, and is expected to, designate, to the extent permitted by the Tax Act, the portion of the net income of the Lysander *Activ*ETF distributed to Unitholders that may reasonably be considered to consist of net taxable capital gains realized or considered to be realized by the Lysander *Activ*ETF, or taxable dividends received or deemed to be received by the Lysander *Activ*ETF on shares of taxable Canadian corporations. Any amounts so designated are deemed, for tax purposes, to be realized by Unitholders in the year as a taxable capital gain, or received by Unitholders as a taxable dividend from a taxable Canadian corporation, as the case may be. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. Taxable dividends so designated will be subject to the gross-up and dividend tax credit rules in the Tax Act, including the enhanced gross-up and dividend tax credit rules in respect of eligible dividends paid by taxable Canadian corporations. In addition, a Lysander *Activ*ETF may make designations in respect of its foreign source income, if any, so that Unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes paid and not deducted by the Lysander *Activ*ETF. A loss realized by a Lysander *Activ*ETF may not be allocated to, and may not be treated as a loss of the Unitholders of the Lysander *Activ*ETF.



Individuals and certain trusts may be subject to an alternative minimum tax in respect of taxable dividends (including eligible dividends) received or considered to be received from taxable Canadian corporations and realized capital gains.

### ***Disposition of Units***

Generally, a Unitholder realizes a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of a Lysander *Activ*ETF held by the Unitholder at a particular time is the total amount paid for the Units of the Lysander *Activ*ETF currently and previously held by the Unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any Units of the Lysander *Activ*ETF previously disposed of by the Unitholder. The adjusted cost base to a Unitholder of one Unit is the average adjusted cost base of all Units owned by the Unitholder as capital property at that time. If a Unitholder participates in the Reinvestment Plan and acquires a Unit from a Lysander *Activ*ETF at a price that is less than fair market value of the Unit, it is the administrative position of the CRA that the Unitholder must include the difference in income and that the cost of the Unit will be correspondingly increased. A consolidation of Units following a distribution which is reinvested in Units will not be regarded as a disposition of Units.

If a Lysander *Activ*ETF realizes capital gains as a result of a transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, a portion of the amount received by the Unitholder may be allocated and designated for income tax purposes as a distribution to the Unitholder of capital gains rather than being treated as proceeds of disposition of the Units. Any capital gains so allocated and designated, which amount will be restricted by the ATR Rule in the manner described under “Risk Factors – Taxation of the Lysander *Activ*ETF”, must be included in the calculation of the Unitholder’s income in the manner described above and will reduce the Unitholder’s proceeds of disposition.

Where Units of a Lysander *Activ*ETF are exchanged by the redeeming Unitholder for Baskets of Securities, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Baskets of Securities so received, plus the amount of any cash received on the exchange, and less any capital gains realized by the Lysander *Activ*ETF as a result of the transfer of those Baskets of Securities which has been designated by the Lysander *Activ*ETF to the Unitholder. The cost of any securities acquired by the Unitholder from a Lysander *Activ*ETF on the redemption or exchange of Units will generally be the fair market value of the securities at that time. Unitholders who redeem Units are advised to confirm with the Manager the details of any distributions paid at the time of redemption and the fair market value of any securities received from the Lysander *Activ*ETF, and are also advised to consult with their own tax advisers.

### ***Taxation of Capital Gains and Capital Losses***

One half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by a Lysander *Activ*ETF and designated by the Lysander *Activ*ETF in respect of the Unitholder is included in the Unitholder’s income as a taxable capital

gain. One half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

### **Tax Information Reporting**

Generally, Unitholders will be required to provide their dealer with information related to their citizenship and tax residence and, if applicable, a foreign taxpayer identification number. If a Unitholder (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, details about the Unitholder and their investment in a Lysander *Activ*ETF will be reported to the CRA, unless the investment is held within a Registered Plan. The CRA will provide that information to the U.S. Internal Revenue Service (in the case of U.S. Persons) or the relevant tax authority of any country that is a signatory of the *Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information* or that has otherwise agreed to a bilateral information exchange with Canada.

### **Taxation of Registered Plans**

A Registered Plan that holds Units of a Lysander *Activ*ETF and the holder/annuitant/subscriber of that Registered Plan will not be subject to tax on the value of the Units, income or capital gains distributed by the Lysander *Activ*ETF on the Units or a gain realized on the disposition of the Units (whether payment is received in cash or by reinvestment in additional Units), provided the Units are: (i) qualified investments for the Registered Plan; (ii) in the case of certain Registered Plans, not prohibited investments for the Registered Plan and not used in a transaction that constitutes an advantage in relation to the Registered Plan; and (iii) not used as security for a loan.

A Registered Plan that acquires a Basket of Securities on the disposition of Units of the Lysander *Activ*ETF or that receives a distribution of securities *in specie* on the termination of the Lysander *Activ*ETF (and the holder/annuitant/subscriber of that Registered Plan) will not be subject to tax on the value of such a security, income from such a security or a gain realized on the disposition of such a security, provided the security is, at all times that it is held by the Registered Plan: (i) a qualified investment for the Registered Plan; (ii) in the case of certain Registered Plans, not a prohibited investment for the Registered Plan and not used in a transaction that constitutes an advantage in relation to the Registered Plan; and (iii) not used as a security for a loan. The securities so received may or may not be qualified investments for the Registered Plan and may or may not be prohibited investments for the Registered Plan. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments and not prohibited investments for Registered Plans.

### **Tax Implications of a Lysander *Activ*ETF's Distribution Policy**

A portion of the value of a Unit of a Lysander *Activ*ETF may reflect income and capital gains accrued and/or realized by the Lysander *Activ*ETF before the Unit was acquired by a Unitholder. In particular, this may be the case when Units are acquired shortly before a distribution of income or capital gains, as the case may be. The income and taxable portion of capital gains paid or payable to a Unitholder must be included in the calculation of the Unitholder's income in the manner

described above, even if it relates to a period before the Unitholder owned the Units and may have been reflected in the price paid by the Unitholder.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE LYSANDER *ACTIV*ETFs**

### **Manager of the Lysander *Activ*ETFs**

Lysander Funds Limited, a registered investment fund manager, is the trustee and manager of the Lysander *Activ*ETFs. The registered office of the Lysander *Activ*ETFs and the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1.

### ***Duties and Services Provided by the Manager***

Pursuant to the Management Agreement, the Manager has been appointed as the investment fund manager of the Lysander *Activ*ETFs and has the exclusive authority to manage the business and affairs of the Lysander *Activ*ETFs, to make all decisions regarding the business of the Lysander *Activ*ETFs and to bind the Lysander *Activ*ETFs. In respect of any Lysander *Activ*ETF, the Manager may delegate certain of its powers to its affiliates and other third parties where, in the discretion of the Manager, it would be in the best interests of the Lysander *Activ*ETF to do so.

The Manager is responsible for providing, or causing to be provided, management, and administrative services to the Lysander *Activ*ETFs. The Manager's duties include, without limitation:

- (i) authorizing the payment of, and paying, the operating expenses incurred on behalf of the Lysander *Activ*ETFs that are the responsibility of the Lysander *Activ*ETFs;
- (ii) providing office space, facilities and personnel;
- (iii) preparing financial statements, financial and accounting information and tax returns as required by the Lysander *Activ*ETFs;
- (iv) ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time;
- (v) ensuring that the Lysander *Activ*ETFs comply with regulatory requirements and applicable stock exchange listing requirements;
- (vi) preparing the Lysander *Activ*ETFs' reports, including interim and annual MRFPs, and delivering such reports to Unitholders and the securities regulatory authorities;
- (vii) determining the amount of distributions to be made by the Lysander *Activ*ETFs;
- (viii) communicating with Unitholders and calling meetings of Unitholders as required;
- (ix) ensuring that the NAV per Unit is calculated and published;
- (x) administering the purchase, exchange and redemption of Units;

- (xi) negotiating contractual agreements with third party providers of services, including the Designated Brokers, the Dealers, the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the auditors, legal counsel and printers; and
- (xii) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Lysander *Activ*ETFs.

### ***Details of the Management Agreement***

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders and the Lysander *Activ*ETFs and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities held by any Lysander *Activ*ETF if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, gross negligence or breach of the Manager's standard of care.

The Management Agreement may be terminated by a Lysander *Activ*ETF or by the Manager upon 60 days' prior written notice. The Manager is deemed to have resigned if it becomes bankrupt or insolvent, if its assets are seized or confiscated by a public or government authority, in the event that it ceases to be resident in Canada for purposes of the Tax Act or if it no longer holds the necessary registrations to enable it to carry out its obligations under the Management Agreement. If the Manager resigns, it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to the Manager, the trustee may remove the Manager and appoint a successor manager, subject to any required Unitholder approval.

The Manager is entitled to fees for its services as manager under the Management Agreement as described under "Fees and Expenses – Fees and Expenses Payable by the Lysander *Activ*ETFs." The Manager and each of its directors, officers, employees and agents (the "**Indemnified Parties**") are indemnified by the Lysander *Activ*ETFs for all claims brought against such Indemnified Party in respect of any act or matter done or omitted in relation to the execution of the Manager's duties under the Management Agreement for the Lysander *Activ*ETFs and also from and against all other costs, charges and expenses any Indemnified Party may reasonably sustain or incur in relation to the performance of the Manager's duties under the Management Agreement for the Lysander *Activ*ETFs. However, none of the Indemnified Parties will be entitled to be indemnified under the Management Agreement if the liability results from the Manager's wilful misconduct, bad faith, or gross negligence or if there has been a failure of the Manager or any person retained by the Manager to meet the standard of care set out in the Management Agreement.

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Lysander *Activ*ETFs) or from engaging in other activities. See "Conflicts of Interest" below.

***Officers and Directors of the Manager of the Lysander ActivETFs***

The name and municipality of residence of each of the directors and senior officers of the Manager, and their principal occupations, are as follows:

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Principal Occupation in Past 5 Years</b>
John P. Carswell Richmond Hill, Ontario	Director	President, Canso Investment Counsel Ltd.
Timothy Hicks Toronto, Ontario	Chief Investment Officer and Director	Chief Investment Officer of the Manager and Portfolio Manager, Canso Investment Counsel Ltd.
Ruth Liu Vaughan, Ontario	Chief Compliance Officer and Corporate Secretary	Chief Compliance Officer of the Manager since September 2020; Corporate Secretary of the Manager since March 2019; General Counsel of the Manager since August 2018; Senior Counsel, TD Bank from November 2015 to July 2018.
Heather Mason-Wood Richmond Hill, Ontario	Director	Portfolio Manager and Chief Strategy and Operating Officer, Canso Investment Counsel Ltd. since June 2019; prior to June 2019, Chief Compliance Officer and Portfolio Manager, Canso Investment Counsel Ltd.
Raymond Oh Richmond Hill, Ontario	Director	Director of Consulting, Capital Markets and Global Wealth, CGI Inc. since May 2021; retired from November 2018 to April 2021; prior to November 2018, President and Chief Operating Officer, Toogood Financial Systems Inc. and Chief Executive Officer, Convexus Managed Services Inc.
Salvatore Reda Verdun, Québec	Director	President, Maralex Capital Inc.
B. Richard Usher-Jones Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director	President and Chief Executive Officer of the Manager and Portfolio Manager, Canso Investment Counsel Ltd.

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Principal Occupation in Past 5 Years</b>
Rajeev Vihh Toronto, Ontario	Chief Operating Officer and Chief Financial Officer	Chief Operating Officer and Chief Financial Officer of the Manager; also Chief Compliance Officer of the Manager until September 2020.
Lee Wong Markham, Ontario	Director	Chief Executive Officer, Toogood Financial Systems Inc.

### **Portfolio Managers**

Canso Investment Counsel Ltd. (“**Canso**”), a registered portfolio manager at its principal office in Richmond Hill, Ontario, is the portfolio manager of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF.

Slater Asset Management Inc. (“**Slater**”), a registered portfolio manager at its principal office in Toronto, Ontario, is the portfolio manager of the Lysander-Slater Preferred Share *Activ*ETF.

The individuals of each Portfolio Manager principally responsible for providing advice to the applicable Lysander *Activ*ETFs are as follows:

#### ***Canso***

<b>Name and Municipality of Residence</b>	<b>Position with Canso</b>	<b>Principal Occupation in Past 5 Years</b>
Jeff Carter Toronto, Ontario	Portfolio Manager	Portfolio Manager of Canso since 2015. Chief Compliance Officer of Canso since 2019.
Jason Davis Oakville, Ontario	Portfolio Manager	Portfolio Manager of Canso since 2019; Associate Portfolio Manager of Canso from 2017 to 2019; Portfolio Analyst of Canso from 2014 to 2017.
Steffan Kelly Toronto, Ontario	Portfolio Manager	Portfolio Manager of Canso since 2019; Research Associate of Canso from 2013 to 2019.
John Laing Toronto, Ontario	Portfolio Manager	Portfolio Manager of Canso since 2012.
Joe Morin Mississauga, Ontario	Portfolio Manager	Portfolio Manager of Canso since 2009.

<b>Name and Municipality of Residence</b>	<b>Position with Canso</b>	<b>Principal Occupation in Past 5 Years</b>
Vivek Verma Markham, Ontario	Portfolio Manager	Portfolio Manager of Canso since June 2005.

***Slater***

<b>Name and Municipality of Residence</b>	<b>Position with Slater</b>	<b>Principal Occupation in Past 5 Years</b>
Douglas S. Grieve Toronto, Ontario	President	President and portfolio manager of Slater Asset Management Inc. since June 2009

***Details of the Investment Management Agreements***

Under the Canso Investment Management Agreement and the Slater Investment Management Agreement, the respective Portfolio Manager is responsible for providing, or causing to be provided, portfolio advisory and investment management services to the applicable Lysander *Activ*ETF(s). The Portfolio Manager will manage the investment portfolios of the applicable Lysander *Activ*ETF(s) with complete discretion in accordance with its investment objectives, strategies, restrictions and applicable securities legislation.

Each of the Canso Investment Management Agreement and the Slater Investment Management Agreement requires the respective Portfolio Manager to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the respective Lysander *Activ*ETF and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. Each of the Canso Investment Management Agreement and the Slater Investment Management Agreement provides that the Portfolio Manager will not be liable in any way for any loss arising solely from the Portfolio Manager's compliance with a Lysander *Activ*ETF's investment policy statement or any act or failure to act by any broker or person with whom the Portfolio Manager has been specifically directed to deal by the Manager in connection with the Lysander *Activ*ETF.

Each of the Canso Investment Management Agreement and the Slater Investment Management Agreement may be terminated immediately by either party to the agreement if either party's registration, license or other authorization required by it to perform the services under the Investment Management Agreement have been revoked by the applicable securities regulatory authority, if either party is unable to meet its obligations under the Investment Management Agreement, or if either party is in material breach of the Investment Management Agreement and such breach has not been cured within 30 days of receipt of written notice of such breach.

The Portfolio Managers are entitled to fees for their services as portfolio manager under the respective investment management agreements payable by the Manager quarterly.

The portfolio management services of the Portfolio Managers under the respective investment management agreements are not exclusive and nothing in the Canso Investment Management Agreement nor the Slater Investment Management Agreement prevents the Portfolio Managers from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and restrictions are similar to those of the Lysander *Activ*ETFs) or from engaging in other activities. See “Conflicts of Interest” below.

### **Brokerage Arrangements**

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker, and the negotiation, where applicable, of commissions are made by the portfolio manager for the relevant Lysander *Activ*ETF.

In selecting brokers, various factors will be considered in the context of a particular trade and in regard to the portfolio manager’s overall responsibilities with respect to each Lysander *Activ*ETF and to other investment accounts the portfolio manager manages. Factors deemed relevant may include the following: (i) price; (ii) size and type of the transaction; (iii) reasonableness of compensation to be paid; (iv) speed and certainty of trade executions, including the broker’s willingness to commit capital; (v) nature of markets on which the security is to be purchased or sold; (vi) the availability of liquidity in the security; (vii) reliability of a market center or broker; (viii) overall trading relationship with the broker; (ix) assessment of whether and how closely the broker will likely follow instructions; (x) degree of anonymity that a particular broker or market can provide; (xi) the potential for avoiding market impact; (xii) the execution services rendered on a continuing basis; (xiii) the execution efficiency, settlement capability and financial condition of the firm; (xiv) arrangements for payment of Fund expenses, if applicable; and (xv) the provision of additional brokerage and research products and services, if applicable.

With respect to Canso, portfolio transactions may be executed with brokers who provide research services to assist the portfolio manager with its investment management responsibilities (“**Research Goods and Services**”). Such services include reports and analysis which are used to assist with investment decisions; quotation services; data, information and other services; analytical computer software and services; and investment recommendations. Canso has confirmed to Lysander that it has established procedures to assist it in making a good faith determination that its clients, including the applicable Lysander *Activ*ETFs, receive a reasonable benefit considering the value of research goods and services and the amount of brokerage commissions paid.

Slater does not engage in “soft dollar arrangements” for such services in respect of their client accounts, including the account for Lysander-Slater Preferred Share *Activ*ETF.

### **Conflicts of Interest**

The services of the Manager or Portfolio Managers under the Management Agreement and Investment Management Agreements respectively are not exclusive and nothing in these agreements prevents the Manager or a Portfolio Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Lysander *Activ*ETFs) or from engaging in other activities.



Investments in securities purchased by a Portfolio Manager on behalf of a Lysander *Activ*ETF and other investment funds managed and advised by the Portfolio Manager will be allocated to the Lysander *Activ*ETF and such other investment funds on a pro rata basis according to the size of the order and the applicable investment restrictions and policies of the Lysander *Activ*ETF and the other investment funds.

Directors and officers of the Manager must obtain the prior approval of the Manager in order to engage in any outside activities. One of the activities that requires approval is acting as a director or officer of another company (an “**Issuer**”). A Lysander *Activ*ETF may invest in an Issuer if this transaction is permitted by law and the Manager has approved this transaction. This approval will be given only if the Manager is satisfied that there has been proper resolution of any potential conflicts of interest.

The Management Agreement acknowledges that the Manager may provide services to the Lysander *Activ*ETFs in other capacities, provided that the terms of any such arrangement are commercially reasonable for comparable services.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Lysander *Activ*ETFs of their Units under this prospectus. Units of the Lysander *Activ*ETFs do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by a Lysander *Activ*ETF to such Designated Broker or Dealers.

One or more registered dealers acts or may act as a Designated Broker and/or a Dealer. These relationships may create actual or perceived conflicts of interest that investors should consider in relation to an investment in the Lysander *Activ*ETFs. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of a Lysander *Activ*ETF in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of Unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with a Lysander *Activ*ETF, with the issuers of securities making up the investment portfolio of a Lysander *Activ*ETF or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

### **Independent Review Committee**

As required by NI 81-107, the Manager has established an IRC to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the investment funds managed by the Manager, including the Lysander *Activ*ETFs. The IRC reviews and gives its approval or recommendations as to the conflict of interests matters referred to it. A conflict of interest matter is a situation where a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager’s ability to act in good faith and in the

best interest of the Lysander *Activ*ETFs. The IRC is also required to approve certain mergers involving the Lysander *Activ*ETFs and any change of the auditors of the Lysander *Activ*ETFs.

The IRC must have all independent members. The Manager considers that an individual is independent if the individual is not a director, officer or employee of the Manager or an affiliate of the Manager. In addition, the individual must be independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the individual's ability to act with the view to the best interest of the Lysander *Activ*ETFs.

The current members of the IRC are Paul Fahey as Chair, Ruth Gould, Jim McGill and Bill Schultz.

The IRC has a written charter that sets out its powers, duties and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- (i) the Manager's policies and procedures regarding conflict of interest matters;
- (ii) any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Lysander *Activ*ETFs;
- (iii) the compliance of the Manager and the Lysander *Activ*ETF with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager; and
- (iv) the independence and compensation of its members, the IRC's effectiveness as a committee and the contribution of each member to the IRC.

The IRC prepares a report for Unitholders, at least annually, of its activities. Such report is made available on the Lysander *Activ*ETFs' designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com) or, at the request of a Unitholder and at no cost, by contacting the Manager at 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1 or by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

Each member of the IRC is paid an annual retainer of \$12,800 (except for Paul Fahey, who is paid \$16,000 as chair) (all amounts exclude applicable HST) in aggregate by all the investment funds managed by the Manager (including its open ended and closed-end funds).

### **Trustee**

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Lysander *Activ*ETFs.

The trustee may resign upon 90 days' notice to Unitholders and the Manager. If the trustee resigns or if it becomes incapable of acting as trustee, the trustee may appoint a successor trustee and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days, the Lysander *Activ*ETFs will be terminated.

The Declaration of Trust provides that the trustee shall act honestly, in good faith and in the best interests of each Lysander *Activ*ETF and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of

Trust contains other customary provisions limiting the liability of the trustee and indemnifying the trustee in respect of certain liabilities incurred by it in carrying out the trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

### **Custodian**

CIBC Mellon Trust Company, at its principal offices in Toronto, Ontario, is the custodian of the assets of the Lysander *Activ*ETFs pursuant to the Custodial Agreement. The Manager or the Custodian may terminate the Custodial Agreement at any time upon 90 days' written notice. The Manager may terminate the Custodial Agreement immediately without any penalty if the Custodian is unable to deliver the services as contemplated in the Custodial Agreement and such failure is not corrected, in a manner satisfactory to the Manager acting reasonably within 60 days after written notice to the Custodian.

### **Auditors**

The auditors of the Lysander *Activ*ETFs are Deloitte LLP, at Bay Adelaide East, 8 Adelaide Street West, Suite 200, Toronto, Ontario.

### **Registrar and Transfer Agent**

TSX Trust Company, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units of the Lysander *Activ*ETFs. The register of the Lysander *Activ*ETFs is kept in Toronto, Ontario.

### **Securities Lending Agent**

Prior to engaging in a securities lending transaction, the Manager will enter into an agreement with the Custodian to appoint it as its agent for administering such securities lending transactions. Any such agreement will comply with the requirements of NI 81-102 governing securities lending transactions. The securities lending agent, if appointed, will not be an associate or affiliate of the Manager.

### **Promoter**

Lysander Funds Limited of Toronto, Ontario has taken the initiative in founding and organizing the Lysander *Activ*ETFs and is, accordingly, the promoter of the Lysander *Activ*ETFs within the meaning of securities legislation of certain provinces and territories of Canada.

### **Fund Administrator**

CIBC Mellon Global Securities Services Company, at its principal offices in Toronto, Ontario, is the fund administrator. The Fund Administrator is responsible for certain aspects of the day to day administration of the Lysander *Activ*ETFs, including NAV calculations, accounting for net income and net realized capital gains of the Lysander *Activ*ETFs and maintaining books and records with respect to the Lysander *Activ*ETFs.

## **Designated Website**

An investment fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Lysander *Activ*ETFs can be found at the following location: [www.lysanderfunds.com](http://www.lysanderfunds.com).

## **CALCULATION OF NET ASSET VALUE**

The NAV and NAV per Unit of each Lysander *Activ*ETF are calculated by the Fund Administrator as of the Valuation Time on each Valuation Date. The NAV of a Lysander *Activ*ETF on a particular date is equal to the aggregate value of the assets of the Lysander *Activ*ETF less the aggregate value of the liabilities of the Lysander *Activ*ETF, including any accrued management fees and any income, net realized capital gains or other amounts payable to Unitholders on or before such date, expressed in Canadian dollars. The NAV per Unit on any day is obtained by dividing the NAV of the Lysander *Activ*ETF on such day by the applicable number of Units of the Lysander *Activ*ETF then outstanding.

## **Valuation Policies and Procedures of the Lysander *Activ*ETFs**

In determining the NAV of each Lysander *Activ*ETF at any time, the Fund Administrator uses the following valuation principles:

- (i) the value of any cash on hand or on deposit, prepaid expenses, cash dividends and other distributions declared and interest accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager or a person authorized by the Manager determines that any such asset is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as determined by the Manager or a person authorized by the Manager to make such determination. Short-term investments including notes and money market instruments will be valued at cost plus accrued interest;
- (ii) bonds, debentures and other debt securities shall be valued at an evaluated mid-price as reported by an independent source on the Valuation Date;
- (iii) any security that is listed or dealt in on a stock exchange shall be valued at the last trade price or official closing price reported at the Valuation Time on the Valuation Date on the principal stock exchange on which such security is traded. If (A) the closing price is not available, or (B) the closing price is deemed unreliable due to lack of trading past a predetermined time before the closing of the securities exchange, the security shall be valued at the average of the last bid/ask quotation generally from the principal stock exchange on which such security is traded;
- (iv) investments in investment funds that do not trade on an exchange are valued at the end of day net asset value per security;
- (v) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, shall be treated as a liability of the Lysander *Activ*ETF;

- (vi) any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;
- (vii) long positions in options shall be valued using the closing price or if the closing price is not available at the average of the last bid/ask quotation generally from the exchange where the option principally trades;
- (viii) where options are written, the premiums received for those options shall be reflected as a liability that is valued at an amount equal to the closing price or if the closing price is not available at the average of the last bid/ask quotation generally from the exchange where the option principally trades;
- (ix) the value of any futures contract or forward contract shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- (x) swaps shall be valued using an independent pricing vendor's model, which may include end of day net present values, company specific credit spreads, credit ratings, industry and company performance, total return of reference assets, default rates and estimated recovery rates. If values are not readily available through an independent pricing vendor, swaps shall be valued at the Manager's best estimate of fair value;
- (xi) the value of all assets of the Lysander *Activ*ETF quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Lysander *Activ*ETF in foreign currency and the value of all liabilities and contractual obligations payable by the Lysander *Activ*ETF in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the applicable date on which NAV is determined;
- (xii) if a security's market price is not readily available or does not otherwise accurately reflect the fair value of the security, the security will be valued by another method that the Manager or a person authorized by the Manager believes will better reflect fair value. The Lysander *Activ*ETF may use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a security in the Lysander *Activ*ETF's portfolio has been materially affected by events occurring after the close of the market on which the security is principally traded (such as a corporate action or other news that may materially affect the price of a security) or trading in a security has been suspended or halted; and
- (xiii) estimated expenses of the Lysander *Activ*ETF shall be accrued daily.

The Manager may authorize third parties, including affiliates, to perform some of the valuation functions and references to the Manager in the above valuation principles may, to the extent the Manager authorizes such parties to perform these functions, include these third parties.

Each portfolio transaction by a Lysander *Activ*ETF will be reflected in the next calculation of NAV per Unit made after the date on which the transaction becomes binding. A Unit of a Lysander

*ActivETF* being issued shall be deemed to become outstanding immediately following the calculation of the applicable NAV per Unit that is the issue price per Unit. After that Unit is deemed to become outstanding, the amount payable in connection with the issuance shall then be deemed to be an asset of the Lysander *ActivETF*. A Unit of a Lysander *ActivETF* being exchanged or redeemed shall be deemed to remain outstanding until immediately following the calculation of the applicable NAV per Unit that is the exchange or redemption price; thereafter, until payment has been made for such exchanged or redeemed Unit, the exchange or redemption price, as the case may be, shall be deemed to be a liability of the Lysander *ActivETF*. Accordingly, the issue of Units and the exchange or redemption of Units will be reflected in the next calculation of NAV per Unit made after the date a subscription order or an exchange or redemption request, as the case may be, is accepted and becomes binding.

### **Reporting of Net Asset Value**

The Manager will publish the NAV per Unit for each Lysander *ActivETF* following the Valuation Time for each Valuation Date on the Lysander *ActivETFs'* designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com).

## **ATTRIBUTES OF THE UNITS**

### **Description of the Securities Distributed**

Each Lysander *ActivETF* is authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an equal, undivided interest in the Lysander *ActivETF*.

The *Trust Beneficiaries' Liability Act, 2004* (Ontario) provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. Each Lysander *ActivETF* is a reporting issuer under the *Securities Act* (Ontario) and each Lysander *ActivETF* is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

### **Certain Provisions of the Units**

Each Unit of a Lysander *ActivETF* entitles the owner to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units of the Lysander *ActivETF* with respect to all distributions made by the Lysander *ActivETF* to Unitholders, other than management fee distributions and amounts paid on the exchange or redemption of Units. Units are issued only as fully paid and are non-assessable.

### ***Exchange of Units for Baskets of Securities***

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for Baskets of Securities and cash. See "Redemption of Units – Exchange of Prescribed Number of Units."

### ***Redemption of Units for Cash***

On any Trading Day, Unitholders may redeem Units of a Lysander *Activ*ETF in any number for cash at a redemption price per Unit equal to the lesser of (i) 95% of the closing price for the Units on the TSX on the effective day of the redemption, and (ii) the NAV per Unit on the effective day of the redemption. See “Redemption of Units – Redemption of Units in any Number for Cash.”

### **Modification of Terms**

All rights attached to the Units of a Lysander *Activ*ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See “Unitholder Matters – Amendments to the Declaration of Trust.”

The Manager may amend the Declaration of Trust from time to time to redesignate the name of a Lysander *Activ*ETF or to create a new class or series of units of a Lysander *Activ*ETF without notice to existing Unitholders of the Lysander *Activ*ETF, unless such amendment in some way affects the existing Unitholders’ rights or the value of their investment.

## **UNITHOLDER MATTERS**

### **Meeting of Unitholders**

Except as otherwise required by law, meetings of Unitholders of a Lysander *Activ*ETF will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting.

### **Matters Requiring Unitholders Approval**

Under the Declaration of Trust, Unitholders are entitled to vote on any matter that pursuant to Canadian securities legislation must be submitted to Unitholders for approval. Subject to certain allowable exceptions, NI 81-102 requires that Unitholders of a Lysander *Activ*ETF approve the following:

- (i) any change to the basis of the calculation of a fee or expense that is charged to the Lysander *Activ*ETF or directly to its Unitholders if such change could result in an increase in charges to the Lysander *Activ*ETF or its Unitholders, except where:
  - (a) the Lysander *Activ*ETF is at arm’s length with the person or company charging the fee or expense; and
  - (b) the Unitholders have received at least 60 days’ written notice before the effective date of the change;
- (ii) the introduction of a fee or expense, to be charged to the Lysander *Activ*ETF or directly to its Unitholders by the Lysander *Activ*ETF or the Manager in connection with the holding of Units of the Lysander *Activ*ETF that could result in an increase in charges to the Lysander *Activ*ETF or its Unitholders, except where:

- (a) the Lysander *Activ*ETF is at arm's length with the person or company charging the fee or expense; and
- (b) the Unitholders have received at least 60 days' written notice before the introduction of the fee or expense;
- (iii) any change to the Manager, unless the new manager of the Lysander *Activ*ETF is an affiliate of the Manager;
- (iv) any change to the fundamental investment objectives of the Lysander *Activ*ETF;
- (v) the decrease in the frequency of the calculation of the Lysander *Activ*ETF's NAV per Unit;
- (vi) the undertaking by the Lysander *Activ*ETF of a reorganization with, or transfer of its assets to, another issuer, if the Lysander *Activ*ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Lysander *Activ*ETF becoming securityholders in the other issuer, unless:
  - (a) the IRC of the Lysander *Activ*ETF has approved the change;
  - (b) the Lysander *Activ*ETF is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
  - (c) the Unitholders have received at least 60 days' written notice before the effective date of the change; and
  - (d) the transaction complies with certain other requirements of applicable securities legislation;
- (vii) the undertaking by the Lysander *Activ*ETF of a reorganization with, or acquisition of assets from, another issuer, if the Lysander *Activ*ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other issuer becoming Unitholders of the Lysander *Activ*ETF and the transaction would be a material change to the Lysander *Activ*ETF; and
- (viii) the Lysander *Activ*ETF implements a restructuring into a non-redeemable investment fund or an issuer that is not an investment fund.

In addition, the Auditors of a Lysander *Activ*ETF may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' written notice before the effective date of the change.

Approval of Unitholders of a Lysander *Activ*ETF of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the Lysander *Activ*ETF duly called and held for the purpose of considering the same approve the related resolution.



Subject to any restrictions set out in the Declaration of Trust, Unitholders are entitled to one vote per Unit held on the record date established for voting at any meeting of Unitholders.

### **Amendments to the Declaration of Trust**

The trustee may amend the Declaration of Trust from time to time but may not, without the approval of a majority of the votes of Unitholders of the Lysander *Activ*ETF voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders.

### **Accounting and Reporting to Unitholders**

The fiscal year end of the Lysander *Activ*ETFs is December 31. The Lysander *Activ*ETFs will deliver or make available to Unitholders (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See “Documents Incorporated by Reference.”

Each Unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by each Lysander *Activ*ETF owned by such Unitholder in respect of the preceding taxation year of such Lysander *Activ*ETF.

The Manager will ensure that each Lysander *Activ*ETF complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of each Lysander *Activ*ETF. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the Lysander *Activ*ETF during normal business hours at the offices of the Fund Administrator. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Lysander *Activ*ETF.

### **Permitted Mergers**

A Lysander *Activ*ETF may, without Unitholder approval, enter into a merger or other similar transaction that has the effect of combining the Lysander *Activ*ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Lysander *Activ*ETF, subject to:

- (i) approval of the merger by the IRC;
- (ii) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- (iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with any such merger, the merging funds will be valued at their respective net asset values and Unitholders of the Lysander *Activ*ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

### **TERMINATION OF THE LYSANDER *ACTIV*ETFs**

A Lysander *Activ*ETF may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate a Lysander *Activ*ETF if the trustee resigns or becomes incapable of acting and is not replaced. Upon such termination, the securities held by the Lysander *Activ*ETF, cash and other assets remaining after paying or providing for all liabilities and obligations of the Lysander *Activ*ETF shall be distributed pro rata among the Unitholders of the Lysander *Activ*ETF.

The rights of Unitholders to exchange and redeem Units described under "Redemption of Units" will cease as and from the date of termination of the Lysander *Activ*ETF.

### **RELATIONSHIP BETWEEN THE LYSANDER *ACTIV*ETFs AND DEALERS**

The Manager, on behalf of the Lysander *Activ*ETFs, may enter into various continuous distribution dealer agreements with registered dealers (that may or may not be a Designated Broker) pursuant to which the Dealers may subscribe for Units of one or more of the Lysander *Activ*ETFs as described under "Purchases of Units – Issuance of Units."

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Lysander *Activ*ETFs of their Units under this prospectus. The Lysander *Activ*ETFs have obtained exemptive relief from the Canadian securities regulatory authorities to relieve it from the requirement that this prospectus contain a certificate of the underwriter or underwriters.

### **PRINCIPAL HOLDERS OF SECURITIES OF THE LYSANDER *ACTIV*ETFs**

CDS & Co., the nominee of CDS, is the registered holder of all of the issued and outstanding units of the Lysander *Activ*ETFs, which it holds for various brokers and other persons on behalf of their clients and others.

### **PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD**

The complete proxy voting record of the Lysander *Activ*ETFs for the period ending June 30 each year will be available free of charge to any Unitholder upon request at any time after August 31 following the end of that annual period by writing to the Manager at 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1, calling collect at 1-877-308-6979 or by accessing the Lysander *Activ*ETFs' designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com).

## **Proxy Voting Procedures and Policies**

A summary of the Portfolio Managers' proxy voting policies and procedures is set out below. A copy of the complete proxy voting policies and procedures for the Lysander *Activ*ETFs is available on request, free of charge, by calling 1-877-308-6979, by sending an e-mail to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing to Lysander Funds Limited, 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1.

The Manager's proxy voting policy requires a Lysander *Activ*ETF's portfolio manager to vote proxies in the best interests of the Lysander *Activ*ETF and adopt proxy voting policies that are in line with the requirements in Part 10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Each Portfolio Manager has adopted a proxy voting policy that would require it to vote proxies in the best interest of the applicable Lysander *Activ*ETF. Generally, each Portfolio Manager would vote in accordance with the recommendations of the issuers' management for routine matters, and would consider non-routine matters on a case-by-case basis. In respect of fixed reset preferred shares with an upcoming reset date and where the shareholders are to vote on whether to receive dividends based on a new fixed rate or a new floating rate until the next reset date ("**fixed resets**"), Slater will consider, at the time of vote, current and future market conditions and decide on the best voting decision for its clients based on market trends.

Each Lysander *Activ*ETF is considered to have received a solicitation at the time it or the Portfolio Manager has received notice at its offices. In the event that the Portfolio Manager does not receive a solicitation within sufficient time to execute a vote or the proxy is not submitted to the issuer in the time required, the Lysander *Activ*ETF will not be able to vote on the matters solicited.

## **MATERIAL CONTRACTS**

The following contracts can reasonably be regarded as material to purchasers of Units:

- (i) Declaration of Trust;
- (ii) Management Agreement;
- (iii) Canso Investment Management Agreement;
- (iv) Slater Investment Management Agreement; and
- (v) Custodial Agreement.

Copies of the agreements referred to above may be inspected during business hours at the principal office of the Manager.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

None of the Lysander *Activ*ETFs is not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving a Lysander *Activ*ETF.

## **EXPERTS**

Borden Ladner Gervais LLP, legal counsel to the Lysander *Activ*ETFs and the Manager, has provided certain legal opinions regarding the principal Canadian federal income tax considerations that apply to an investment in the Units by a Canadian resident individual and by a Registered Plan. See “Income Tax Considerations”.

Deloitte LLP, Chartered Professional Accountants, is the auditor of the Lysander *Activ*ETFs and has consented to the use of its auditor’s report dated March 28, 2022 to the Unitholders of Lysander-Slater Preferred Share *Activ*ETF, and its auditor’s report dated July 29, 2022 to the Unitholders of each of Lysander-Canso Corporate Treasury *Activ*ETF and Lysander-Canso Floating Rate *Activ*ETF.

Deloitte LLP has advised that it is independent with respect to the Lysander *Activ*ETFs within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

## **EXEMPTIONS AND APPROVALS**

The Lysander *Activ*ETFs have obtained exemptive relief from the Canadian securities regulatory authorities to permit the following practices:

- (i) the purchase by a Unitholder of more than 20% of the Units of a Lysander *Activ*ETF without regard to the takeover bid requirements of applicable Canadian securities legislation;
- (ii) to relieve each Lysander *Activ*ETF from the requirement to include in the prospectus a certificate of an underwriter; and
- (iii) the reference to the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings in sales communications relating to the investment funds subject to NI 81-102 for which the Manager, or an affiliate of the Manager, acts as the investment fund manager, which includes the Lysander *Activ*ETFs.

## **PURCHASERS’ STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities of exchange-traded funds within 48 hours after receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus or any amendment contains a misrepresentation or in the case of non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory.

The Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter’s certificate in the prospectus under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. As such, purchasers

of Units of the Lysander *Activ*ETFs will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal adviser.

### **DOCUMENTS INCORPORATED BY REFERENCE**

During the period in which a Lysander *Activ*ETF is in continuous distribution, additional information is available in:

- (i) the most recently filed ETF Facts of the Lysander *Activ*ETF;
- (ii) the most recently filed comparative annual financial statements of the Lysander *Activ*ETF, together with the accompanying report of the auditors;
- (iii) any interim financial statements of the Lysander *Activ*ETF filed after the most recently filed comparative annual financial statements;
- (iv) the most recently filed annual MRFP of the Lysander *Activ*ETF; and
- (v) any interim MRFP of the Lysander *Activ*ETF filed after the most recently filed annual MRFP.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. An investor can get a copy of these documents upon request and at no cost by calling us collect at 1-877-308-6979 or by contacting a registered dealer.

These documents are available on the Lysander *Activ*ETFs' designated website at [www.lysanderfunds.com](http://www.lysanderfunds.com) or by contacting the Manager collect at 1-877-308-6979 or by email at [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

These documents and other information about the Lysander *Activ*ETF are available on the Internet at [www.sedar.com](http://www.sedar.com).

In addition to the documents listed above, any documents of the type described above that are filed on behalf of a Lysander *Activ*ETF after the date of this prospectus and before the termination of the distribution of the Lysander *Activ*ETF are deemed to be incorporated by reference into this prospectus.

## INDEPENDENT AUDITOR'S REPORT

To the Directors of Lysander Funds Limited, the Trustee and Manager of

Lysander-Canso Corporate Treasury *Activ*ETF and  
Lysander-Canso Floating Rate *Activ*ETF

(each individually, a "Fund")

### Opinion

We have audited the financial statement of each Fund, which comprises the statement of financial position as at July 29, 2022 and notes to the financial statement, including a summary of significant accounting policies (collectively referred to as the "financial statement").

In our opinion, the accompanying financial statement of each Fund presents fairly, in all material respects, the financial position of each Fund as at July 29, 2022 in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing each Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate each Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing each Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on each Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause each Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Frank Quatralo.

*/s/ Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
July 29, 2022



**LYSANDER-CANSO CORPORATE TREASURY ACTIVETF  
STATEMENT OF FINANCIAL POSITION**

As at July 29, 2022

<b>Assets</b>		
Cash and cash equivalents		100.00
<b>Total assets</b>	<b>\$</b>	<b>100.00</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>100.00</b>
<b>Net assets attributable to holders of redeemable units</b>		
		100.00
<b>Total net assets</b>	<b>\$</b>	<b>100.00</b>
<b>Number of redeemable units outstanding</b>		
		10
<b>Net assets attributable to holders of redeemable units per unit</b>		
	<b>\$</b>	<b>10.00</b>

See accompanying notes to this statement of financial position

Approved on behalf of the Board of Directors of  
Lysander Funds Limited, as trustee of the Fund

*(signed) "Tim Hicks"*

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Tim Hicks  
Director

*(signed) "Heather Mason-Wood"*

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Heather Mason-Wood  
Director

**LYSANDER-CANSO CORPORATE TREASURY ACTIVETF  
NOTES TO STATEMENT OF FINANCIAL POSITION**

**As at July 29, 2022**

**1. Basis of statement of financial position**

The statement of financial position gives effect to the following:

- a) Lysander-Canso Corporate Treasury ActivETF (the “**Fund**”) was established under the laws of the Province of Ontario pursuant to a Schedule A dated July 29, 2022 to an amended and restated declaration of trust dated July 24, 2017 made by Lysander Funds Limited as trustee. The address of the Fund’s registered office is 3080 Yonge Street, Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the “**Manager**”) is the trustee and manager of the Fund and is responsible for providing and 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. The portfolio manager of the Fund is Canso Investment Counsel Ltd.

- b) A cash contribution of \$100 was received by the Fund from Lysander Funds Limited as Manager and 10 units were issued by the Fund to the Manager in consideration thereof. Applicable securities law provides that the Manager may not redeem such units until a minimum of \$500,000 is received by the Fund from other investors. An unlimited number of units of the Fund may be sold.
- c) The statement of financial position of the Fund was authorized by the Manager’s board of directors on July 29, 2022.
- d) The statement of financial position has been prepared in accordance with International Financial Reporting Standards as published by the International Accounting Standards Board in connection with the prospectus filing requirements of the Canadian securities regulatory authorities to qualify units of the Fund for public distribution.
- e) The functional currency of the Fund is Canadian Dollars.

**2. Organization of the Fund**

The Fund will be, for legal and tax purposes, a mutual fund trust.

**3. Management fees**

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of 0.25%, based on the Fund’s net asset value.

#### **4. Prospectus**

On July 29, 2022, the Manager filed a prospectus offering units of the Fund with securities regulatory authorities in each province and territory in Canada.

**LYSANDER-CANSO FLOATING RATE ACTIVETF  
STATEMENT OF FINANCIAL POSITION**

**As at July 29, 2022**

<b>Assets</b>		
Cash and cash equivalents		100.00
<b>Total assets</b>	<b>\$</b>	<b>100.00</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>100.00</b>
<b>Net assets attributable to holders of redeemable units</b>		
		100.00
<b>Total net assets</b>	<b>\$</b>	<b>100.00</b>
<b>Number of redeemable units outstanding</b>		
		10
<b>Net assets attributable to holders of redeemable units per unit</b>		
	<b>\$</b>	<b>10.00</b>

See accompanying notes to this statement of financial position

Approved on behalf of the Board of Directors of  
Lysander Funds Limited, as trustee of the Fund

*(signed) "Tim Hicks"*

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Tim Hicks  
Director

*(signed) "Heather Mason-Wood"*

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Heather Mason-Wood  
Director

**LYSANDER-CANSO FLOATING RATE ACTIVETF  
NOTES TO STATEMENT OF FINANCIAL POSITION**

**As at July 29, 2022**

**1. Basis of statement of financial position**

The statement of financial position gives effect to the following:

- a) Lysander-Canso Floating Rate ActivETF (the “**Fund**”) was established under the laws of the Province of Ontario pursuant to a Schedule A dated July 29, 2022 to an amended and restated declaration of trust dated July 24, 2017 made by Lysander Funds Limited as trustee. The address of the Fund’s registered office is 3080 Yonge Street, Suite 3037, Toronto, Ontario.

Lysander Funds Limited (the “**Manager**”) is the trustee and manager of the Fund and is responsible for providing and 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. The portfolio manager of the Fund is Canso Investment Counsel Ltd.

- b) A cash contribution of \$100 was received by the Fund from Lysander Funds Limited as Manager and 10 units were issued by the Fund to the Manager in consideration thereof. Applicable securities law provides that the Manager may not redeem such units until a minimum of \$500,000 is received by the Fund from other investors. An unlimited number of units of the Fund may be sold.
- c) The statement of financial position of the Fund was authorized by the Manager’s board of directors on July 29, 2022.
- d) The statement of financial position has been prepared in accordance with International Financial Reporting Standards as published by the International Accounting Standards Board in connection with the prospectus filing requirements of the Canadian securities regulatory authorities to qualify units of the Fund for public distribution.
- e) The functional currency of the Fund is Canadian Dollars.

**2. Organization of the Fund**

The Fund will be, for legal and tax purposes, a mutual fund trust.

**3. Management fees**

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of 0.35%, based on the Fund’s net asset value.

#### **4. Prospectus**

On July 29, 2022, the Manager filed a prospectus offering units of the Fund with securities regulatory authorities in each province and territory in Canada.

**CERTIFICATE OF THE LYSANDER ACTIVETFs,  
THE TRUSTEE, MANAGER AND PROMOTER**

Dated: July 29, 2022

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

**LYSANDER FUNDS LIMITED**

**as Trustee and Manager of the Lysander ActivETFs**

*(signed) "Richard Usher-Jones"*

Richard Usher-Jones  
Chief Executive Officer

*(signed) "Raj Vijh"*

Raj Vijh  
Chief Financial Officer

**On behalf of the Board of Directors of Lysander Funds Limited**

*(signed) "Heather Mason-Wood"*

Heather Mason-Wood  
Director

*(signed) "Tim Hicks"*

Tim Hicks  
Director

**LYSANDER FUNDS LIMITED**

**as Promoter of the Lysander ActivETFs**

*(signed) "Richard Usher-Jones"*

Richard Usher-Jones  
Chief Executive Officer