

**Semi-Annual Management Report of Fund Performance**  
As at June 30, 2022

Lysander-Patient Capital Equity Fund (formerly Lysander-18  
Asset Management Canadian Equity Fund)



# Lysander-Patient Capital Equity Fund (formerly Lysander-18 Asset Management Canadian Equity Fund)

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## A Note About Forward Looking Statements

This semi-annual Management Report of Fund Performance includes certain statements that are “forward looking statements”. All statements, other than statements of historical fact, included in this Management Report of Fund Performance that address activities, events or developments that the Fund expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words “may”, “could”, “would”, “should”, “believe”, “plan”, “anticipate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward looking statements.

These forward looking statements are subject to various risks and uncertainties, including the risks described in the simplified prospectus of the Fund, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed.

Readers are cautioned not to place undue reliance on these forward looking statements. All opinions contained in forward looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

The Fund has no specific intention of updating any forward looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

## About This Report

This semi-annual Management Report of Fund Performance of Lysander-Patient Capital Equity Fund (the “Fund”) contains financial highlights for the period ended June 30, 2022 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the interim financial statements of the Fund for the period ended June 30, 2022. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge Street, Suite 3037, Toronto, Ontario, M4N 3N1, by visiting our website at [www.lysanderfunds.com](http://www.lysanderfunds.com) or at SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact Lysander Funds Limited using one of these methods to obtain a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## Investment objective

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

## Investment Strategies

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

term absolute value, with the goal of preservation of capital while earning returns. More details are contained in the Fund’s simplified prospectus.

## Risks

The risks of this Fund remain as discussed in the Fund’s most recent simplified prospectus.

## Results of Operations

The Fund’s style was changed from a portfolio with exposure to companies with Offence characteristics (growth and momentum) and Defence characteristics (income and value) to a value-based investment philosophy in accordance with the assignment of a new portfolio manager as of November 1, 2021.

The Fund returns for the period were -1.35% for Series A and for -0.82% for Series F.

During the first half of 2022 many markets around the world experienced negative returns. The MSCI (USD) World Index declined 20.29% while the S&P 500 (USD) dropped 19.96%. The S&P/TSX Composite Index fell 9.87%. The second quarter declines brought the indices into negative territory on a one-year basis. The MSCI (USD) World Index, S&P 500 (USD) and S&P/TSX Composite Index fell 13.94%, 10.62% and 3.87% respectively. The Canadian market performed better on a relative basis due to the strength of the Energy sub-sector over the past year. During the period under review the portfolio added to existing positions in the Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Canadian Utilities, Linamar Corp., Honda Motor Corp., and Verizon Inc. A new position in WPP plc was established during the first half of 2022.

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The net assets of the Fund were approximately \$10.1 million at June 30, 2022 from \$5.5 million at the beginning of the period. There were net subscriptions of \$4.7 million during the period.

There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or market conditions that affected performance beyond what would reasonably be expected or have been described below.

The Fund did not borrow money during the period except for immaterial short-term cash overdrafts.

## Recent Developments

The concern over rising inflation and the war in Ukraine were the major themes during the first half of 2022. Investors started to conclude that inflation was not going to be transitory and instead might be a persistent problem into the future. Consumer Price Index (CPI) readings were reported at eight per cent or more in Canada, the U.S. and Europe during the second quarter. Supply chain issues because of the war in Ukraine and the pandemic, high energy and food prices and very tight labor markets all contributed to the multiyear high inflation rate. As a result, the focus was on how high inflation would go and how much would interest rates have to rise to tame inflation. Central banks may have been late in anticipating the significant impact that very loose fiscal and monetary policies over the past several years would have on inflation. Central banks may have to raise interest rates at a much faster rate and much higher than originally planned. As a result, equity investors became fearful that the economy would experience a severe recession or see a repeat of the stagflation that occurred during the 1970's.

The war in Ukraine added to the concerns over inflation and interest rates in the second quarter. The impact of the war on agricultural supplies and commodities continued to remain unabated. European countries, in particular Germany and Italy, are extremely vulnerable to gas shortages in the coming months as Russia threatens to cut off gas supplies to Europe in response to Western nations' sanctions. This threat has been a significant contributor to rising energy prices and will keep gas prices at elevated levels for some time.

Despite the declines in equity markets during the period and negative one year returns, equity markets are continue to be expensive. Market valuation indicators such as the Shiller P/E Ratio and the Market to GDP Capitalization Ratio remain near all-time highs. High valuations combined with rising interest rates imply substantial risk for equity markets today and into the future.

The Fund believes that it's well positioned for current market conditions. As of June 30, 2022, the portfolio consisted of approximately 60% in cash. As of June 30th, 2022, the Fund's dividend yield is 2.6% and other valuation statistics were far more attractive than both the S&P/TSX Composite and S&P 500. The Fund's large cash balance helped the Fund outperform the MSCI, S&P 500 and S&P/TSX Composite indices.

There have been no changes to the Manager or Portfolio Manager, or change of control of the Manager, or of the Fund. There have been no actual or planned reorganizations, mergers or similar transactions.

There were no changes to the membership of the Fund's Independent Review Committee ("IRC").

## Related Party Transactions

The Manager provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services. The Manager receives a management fee for these services. The fee is calculated based on a percentage of the net asset value of the Fund as disclosed in the simplified prospectus.

The Fund paid \$44,061 (including HST) in management fees to the Manager for the period ended June 30, 2022 (June 30, 2021 - \$16,353).

The Portfolio Manager is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments. Fees for providing these services are included in the management fee.

The Manager paid \$20,663 (including HST) to the Portfolio Manager for the period ended June 30, 2022 (June 30, 2021 - \$9,982).

The Manager relied, or may rely on standing instructions from the IRC in respect of securities traded amongst mutual funds, closed end funds, managed accounts or pooled funds managed by the Manager or an affiliate of the Manager. In such cases the Manager is required to comply with the Manager's written policies and procedures presented to the IRC and provide periodic reports to the IRC in accordance with National Instrument 81-107.

# Lysander-Patient Capital Equity Fund (formerly Lysander-18 Asset Management Canadian Equity Fund)

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## Financial Highlights

### Series A

Period ended	30-Jun-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
<b>Net assets per unit<sup>1</sup></b>						
Net assets, beginning of period	\$ 12.73	\$ 12.55	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83
Operations:						
Total revenue	0.09	0.39	0.40	0.38	0.36	0.35
Total expenses	(0.13)	(0.30)	(0.26)	(0.33)	(0.32)	(0.31)
Realized gains (losses)	-	3.32	0.02	0.74	0.12	-
Unrealized gains (losses)	(0.53)	(0.14)	(1.57)	2.11	(1.36)	0.78
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ (0.57)</b>	<b>\$ 3.27</b>	<b>\$ (1.41)</b>	<b>\$ 2.90</b>	<b>\$ (1.20)</b>	<b>\$ 0.82</b>
Distributions:						
From income (excluding dividends)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.03)	(0.08)	(0.06)	(0.01)	(0.03)	(0.06)
From capital gains	-	(0.85)	-	(0.51)	(0.04)	-
<b>Total distributions<sup>2 3</sup></b>	<b>\$ (0.04)</b>	<b>\$ (0.93)</b>	<b>\$ (0.06)</b>	<b>\$ (0.52)</b>	<b>\$ (0.07)</b>	<b>\$ (0.06)</b>
<b>Net assets, end of period<sup>2 3</sup></b>	<b>\$ 12.53</b>	<b>\$ 12.73</b>	<b>\$ 12.55</b>	<b>\$ 13.04</b>	<b>\$ 11.29</b>	<b>\$ 12.55</b>

Ratios and supplemental data						
Net asset value <sup>4</sup>	\$ 657,999	\$ 47,997	\$ 141,306	\$ 300,049	\$ 415,393	\$ 464,596
Units outstanding	52,493	3,769	11,262	23,003	36,796	37,007
Management expense ratio <sup>5</sup>	% 2.13	% 2.13	% 2.14	% 2.55	% 2.56	% 2.55
Management expense ratio before waivers or absorption	2.54	2.33	2.57	2.83	2.87	2.75
Portfolio turnover rate <sup>6</sup>	-	72.92	41.05	62.18	47.6	74.2
Trading expense ratio <sup>7</sup>	-	0.09	0.07	0.10	0.10	0.20
Net asset value per unit, end of period	\$ 12.53	\$ 12.73	\$ 12.55	\$ 13.04	\$ 11.29	\$ 12.55

### Notes

- The information is derived from the Fund's unaudited semi-annual and/or audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash or reinvested in additional units, or both.
- This information is provided at the end of the period shown.
- The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period. Effective January 1, 2020, the Fund paid a management fee of 1.80% (formerly 2.00%) per annum for Series A units and 0.80% (formerly 1.00%) per annum for Series F units.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

# Lysander-Patient Capital Equity Fund (formerly Lysander-18 Asset Management Canadian Equity Fund)

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## Series F

Period ended	30-Jun-2022	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
<b>Net assets per unit<sup>1</sup></b>						
Net assets, beginning of period	\$ 12.07	\$ 12.61	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02
Operations:						
Total revenue	0.08	0.36	0.42	0.41	0.36	0.36
Total expenses	(0.07)	(0.14)	(0.12)	(0.19)	(0.18)	(0.18)
Realized gains (losses)	0.01	3.57	(0.11)	0.61	0.12	-
Unrealized gains (losses)	(0.25)	(0.83)	(0.54)	1.61	(1.38)	0.75
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ (0.23)</b>	<b>\$ 2.96</b>	<b>\$ (0.35)</b>	<b>\$ 2.44</b>	<b>\$ (1.08)</b>	<b>\$ 0.93</b>
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.03)	(0.26)	(0.29)	(0.23)	(0.17)	(0.18)
From capital gains	-	(4.57)	-	(0.64)	(0.04)	-
<b>Total distributions<sup>2 3</sup></b>	<b>\$ (0.03)</b>	<b>\$ (4.83)</b>	<b>\$ (0.29)</b>	<b>\$ (0.87)</b>	<b>\$ (0.21)</b>	<b>\$ (0.18)</b>
<b>Net assets, end of period<sup>2 3</sup></b>	<b>\$ 11.94</b>	<b>\$ 12.07</b>	<b>\$ 12.61</b>	<b>\$ 13.22</b>	<b>\$ 11.48</b>	<b>\$ 12.77</b>
<b>Ratios and supplemental data</b>						
Net asset value <sup>4</sup>	\$ 9,455,463	\$ 5,538,476	\$ 3,090,046	\$ 3,815,598	\$ 2,711,951	\$ 3,002,912
Units outstanding	791,756	458,876	245,030	288,714	236,250	235,065
Management expense ratio <sup>5</sup>	% 1.00	% 0.99	% 0.99	% 1.42	% 1.43	% 1.42
Management expense ratio before waivers or absorption	1.30	1.41	1.47	1.74	1.73	1.61
Portfolio turnover rate <sup>6</sup>	-	72.92	41.05	62.18	47.60	74.20
Trading expense ratio <sup>7</sup>	-	0.09	0.07	0.10	0.10	0.20
Net asset value per unit, end of period	\$ 11.94	\$ 12.07	\$ 12.61	\$ 13.22	\$ 11.48	\$ 12.77

## Notes

- The information is derived from the Fund's unaudited semi-annual and/or audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash or reinvested in additional units, or both.
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- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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## Management Fees

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

In consideration for such services, the Manager receives a management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee at a rate of 1.80% per annum for Series A units and at a rate of 0.80% per annum for Series F units.

Service fees or trailing commissions of a maximum of 1.00% per annum were paid on Series A units to dealers. This comprises approximately 55.6% of the management fee of Series A units.

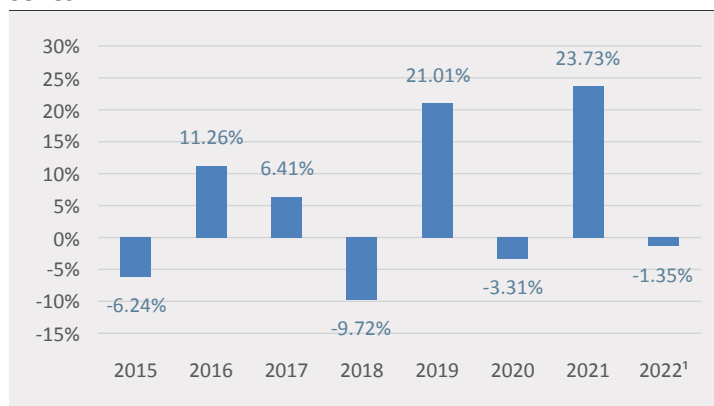
## Past Performance

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

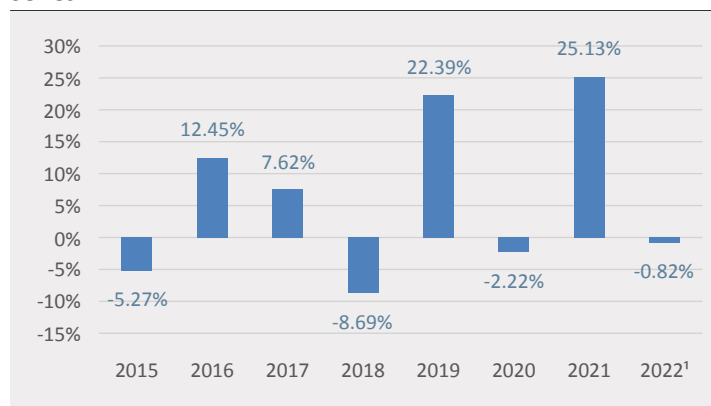
The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily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

## Year-by-Year Returns

### Series A



### Series F



<sup>1</sup> For the period January 1 to June 30

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## Summary of Investment Portfolio

		% of NAV			% of NAV
<b>Top 25 Issuers</b>			<b>Asset Mix</b>		
Cash and Cash Equivalents	%	60.1	Canadian Equities	%	26.1
Verizon Communications Inc		5.0	Cash and Cash Equivalents		60.1
Canadian Imperial Bank of Commerce		4.9	Foreign Equities		13.7
Honda Motor Co. Ltd.		4.8	Other Assets less Liabilities		0.1
Bank of Nova Scotia		4.6	<b>Total</b>	<b>%</b>	<b>100.0</b>
Linamar Corp		4.3	<b>Sector</b>		
WPP plc		4.0	Cash and Cash Equivalents	%	60.1
Canadian Natural Resources		3.1	Communication Services		10.2
Canadian Utilities Ltd		2.8	Consumer Discretionary		9.1
Bank of Montreal		1.7	Energy		3.1
Royal Bank of Canada		1.7	Financials		14.6
Toronto Dominion Bank		1.7	Other Assets less Liabilities		0.1
BCE Inc		1.2	Utilities		2.8
<b>Total</b>	<b>%</b>	<b>99.9</b>	<b>Total</b>	<b>%</b>	<b>100.0</b>



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