

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

Lysander-Canso U.S. Short Term and Floating Rate 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-Canso U.S. Short Term and Floating Rate Fund (the “Fund”) contains financial highlights for the period ended June 30, 2025 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the interim financial statements of the Fund for the period ended June 30, 2025. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge St., Suite 4000, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR+ at www.sedarplus.ca.

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

Investment objective

The Fund’s objective is to provide total return by investing primarily in investments in U.S. dollar denominated short term fixed income and floating rate debt securities of Canadian and foreign issuers.

Investment Strategies

The Fund’s portfolio manager is Canso Investment Counsel Ltd. (“Portfolio Manager” or “Canso”), a company under common control as the Manager. The Fund’s portfolio positions will primarily be invested in fixed income securities, including those

of foreign issuers. The Fund will not be leveraged. More details are contained in the Fund’s simplified prospectus.

Unless otherwise noted, all dollar amounts and returns in this document are expressed in USD.

Risks

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

Results of Operations

During the period, Canso employed its bottom-up process to buy and sell securities for the Fund. The Fund’s positioning and performance is consistent with the Fund’s fundamental investment objective and strategies.

The Fund returns for the six-month period ended June 30, 2025 were 2.86% for Series A and 3.15% for Series F.

The net assets of the Fund were approximately \$5.7 million at June 30, 2025 from \$4.7 million at the beginning of the period. There were net subscriptions of approximately \$837 thousand during the period.

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

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

Recent Developments

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

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

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

During the period, the Fund focused on maintaining high quality and elevated levels of liquidity as this continues to be a priority. The Fund opportunistically reduced its exposure to LRCN issues as well as select high yield issues including Avis Budget Car, selling into market strength. Continuing with a bias towards high quality, the Fund added to select high quality corporate issues including A rated issues of American Honda Finance, VW Credit Canada and Lloyds Banking Group. It also added a AA rated issued of Bank of America and added a 3.5-year AA rated issue of CIBC. At the end of the period, the Fund's term to maturity was 2.7 years and duration was 2.4 years with a yield to maturity of 4.2%.

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

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

Related Party Transactions

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

The Fund paid USD \$13,444 (excluding HST) in management fees to the Manager for the period ended June 30, 2025 (June 30, 2024 - USD \$16,818 excluding HST).

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. Portfolio management fees for the Portfolio Manager's services are paid from the management fee.

The Manager paid USD \$7,177 (including HST) to the Portfolio Manager for the period ended June 30, 2025 (June 30, 2024 - USD \$9,372).

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

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Financial Highlights

Series A*

Period ended	30-Jun-2025 (USD)	31-Dec-2024 (USD)	31-Dec-2023 (USD)	31-Dec-2022 (USD)	31-Dec-2021 (USD)
Net assets per unit¹					
Net assets, beginning of period	\$ 9.97	\$ 9.74	\$ 9.46	\$ 9.89	\$ 10.00
Operations:					
Total revenue	0.17	0.34	0.47	0.26	0.13
Total expenses	(0.07)	(0.15)	(0.14)	(0.13)	(0.09)
Realized gains (losses)	(0.15)	(3.32)	0.17	(0.07)	0.03
Unrealized gains (losses)	0.34	3.54	0.22	(0.45)	(0.13)
Total increase (decrease) from operations²	\$ 0.29	\$ 0.41	\$ 0.72	\$ (0.39)	\$ (0.06)
Distributions:					
From income (excluding dividends)	\$ (0.09)	\$ (0.20)	\$ (0.39)	\$ (0.08)	\$ (0.06)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(0.05)
Total distributions^{2 3}	\$ (0.09)	\$ (0.20)	\$ (0.39)	\$ (0.08)	\$ (0.11)
Net assets, end of period^{2 3}	\$ 10.17	\$ 9.97	\$ 9.74	\$ 9.46	\$ 9.89
Ratios and supplemental data					
Net asset value ⁴	\$ 395,875	\$ 228,848	\$ 126,112	\$ 863,141	\$ 1,547,827
Units outstanding	38,931	22,953	12,950	91,258	156,522
Management expense ratio ⁵	% 1.39	% 1.49	% 1.42	% 1.41	% 1.35
Management expense ratio before waivers or absorption	1.51	1.64	1.42	1.41	1.35
Portfolio turnover rate ⁶	31.13	226.86	47.04	160.98	45.18
Trading expense ratio ⁷	-	-	-	-	-
Net assets, end of period^{2 3}	\$ 10.17	\$ 9.97	\$ 9.74	\$ 9.46	\$ 9.89

Notes

* Series A was first made available under a prospectus on May 12, 2021

1 The information is derived from the Fund's unaudited semi-annual and/or audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2 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.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 The management expense ratio ("MER") is based on the total expenses of the period ended, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of daily average net asset value during the period. Effective January 1, 2025, the Fund paid a management fee of 0.95% (formerly 1.05%) per annum for Series A units and 0.45% (formerly 0.55%) per annum for Series F units.

6 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.

7 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund invested.

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Series F*

Period ended	30-Jun-2025 (USD)	31-Dec-2024 (USD)	31-Dec-2023 (USD)	31-Dec-2022 (USD)	31-Dec-2021 (USD)
Net assets per unit¹					
Net assets, beginning of period	\$ 9.98	\$ 9.74	\$ 9.44	\$ 9.92	\$ 10.00
Operations:					
Total revenue	0.17	0.34	0.40	0.26	0.13
Total expenses	(0.04)	(0.09)	(0.07)	(0.08)	(0.05)
Realized gains (losses)	(0.11)	0.06	(0.39)	(0.02)	0.03
Unrealized gains (losses)	0.29	0.17	0.72	(0.49)	(0.13)
Total increase (decrease) from operations²	\$ 0.31	\$ 0.48	\$ 0.66	\$ (0.33)	\$ (0.02)
Distributions:					
From income (excluding dividends)	\$ (0.13)	\$ (0.25)	\$ (0.37)	\$ (0.18)	\$ (0.07)
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	(0.04)
Total distributions^{2 3}	\$ (0.13)	\$ (0.25)	\$ (0.37)	\$ (0.18)	\$ (0.11)
Net assets, end of period^{2 3}	\$ 10.16	\$ 9.98	\$ 9.74	\$ 9.44	\$ 9.92
Ratios and supplemental data					
Net asset value ⁴	\$ 5,258,149	\$ 4,484,841	\$ 6,032,050	\$ 12,229,311	\$ 13,540,593
Units outstanding	517,593	449,500	619,240	1,295,041	1,365,103
Management expense ratio ⁵	% 0.82	% 0.92	% 0.74	% 0.83	% 0.80
Management expense ratio before waivers or absorption	0.95	1.12	0.74	0.83	0.80
Portfolio turnover rate ⁶	31.13	226.86	47.04	160.98	45.18
Trading expense ratio ⁷	-	-	-	-	-
Net assets, end of period ^{2 3}	\$ 10.16	\$ 9.98	\$ 9.74	\$ 9.44	\$ 9.92

Notes

* Series F was first made available under a prospectus on May 12, 2021

1 The information is derived from the Fund's unaudited semi-annual and/or audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2 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.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 The management expense ratio ("MER") is based on the total expenses of the period ended, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of daily average net asset value during the period. Effective January 1, 2025, the Fund paid a management fee of 0.95% (formerly 1.05%) per annum for Series A units and 0.45% (formerly 0.55%) per annum for Series F units.

6 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.

7 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Where the Fund invests in any underlying fund, the TER includes the Fund's proportionate share of the commissions of any underlying fund in which the Fund invested.

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Management Fees

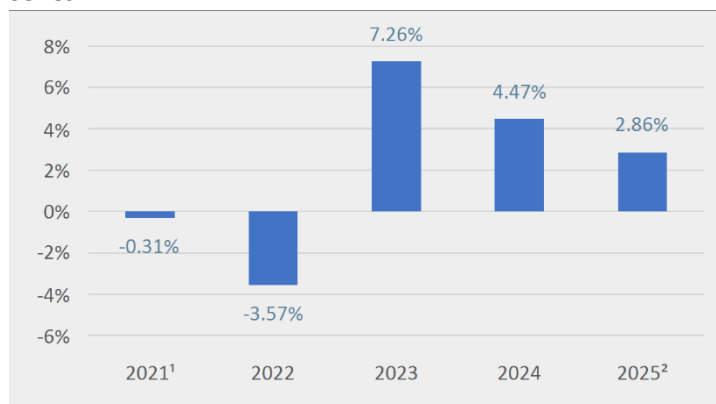
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a management fee, based on the net asset value of each Series, calculated daily and payable monthly. Effective January 1, 2025, the Fund pays a management fee at a rate of 0.95% (formerly 1.05%) per annum for Series A units and at a rate of 0.45% (formerly 0.55%) per annum for Series F units.

Service fees or trailing commissions of a maximum of 0.50% per annum are paid on Series A units to dealers. This comprises 52.6% of the management fee of Series A units.

Year-by-Year Returns

Series A

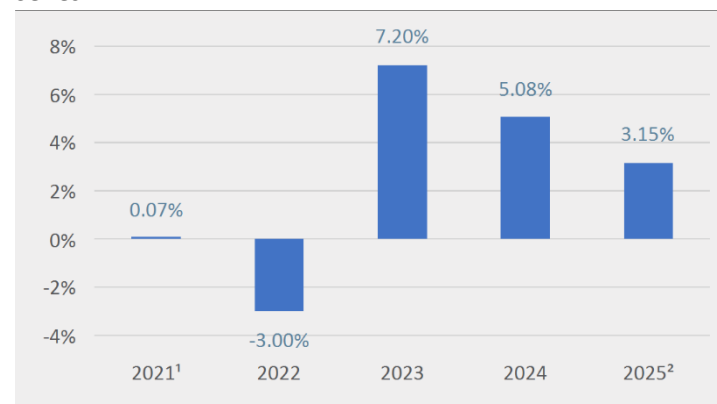


Past Performance

Series A and Series F were first made available under a prospectus on May 12, 2021. Accordingly, returns are shown for the relevant period/years as indicated below. Effective January 1, 2025, the management fee for Series A changed from 1.05% to 0.95% and Series F changed from 0.55% to 0.45%. This change could have affected the performance of the Fund had this change 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.

Series F



1 For the period May 12 to December 31, 2 For the period January 1 to June 30

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Government of USA	%	18.2	Canadian Fixed Income	%	29.0
Bank of America Corp.		6.3	Cash and Cash Equivalents		0.4
JPMorgan Chase & Co.		5.9	Foreign Fixed Income		61.1
Goldman Sachs Group Inc.		5.5	Inflation Bonds		1.9
TD Bank Group		5.3	Mortgage Backed Securities		1.8
Canadian Imperial Bank of Commerce		5.0	Other Assets less Liabilities		(0.3)
American Honda Finance		5.0	Private Placements		6.1
Lloyds Banking Group PLC		4.9	Total	%	100.0
Manulife Financial Corp.		4.7	Sector		
Bell Canada		4.6	Cash and Cash Equivalents	%	0.4
UBS Group AG		4.3	Communication Services		4.9
Toyota Credit Canada Inc.		4.2	Consumer Discretionary		18.6
Air Canada		3.4	Consumer Staples		2.7
VW Credit Canada Inc.		3.1	Financials		51.9
Boeing Co.		3.0	Government		18.2
Delta Air Lines Inc.		2.8	Industrials		3.6
Royal Bank of Canada		2.6	Other Assets less Liabilities		(0.3)
BMW Canada Auto Trust		1.9	Total	%	100.0
Avis Budget Rental Car Funding LLC		1.8			
Scotia Capital Inc.		1.8			
Hertz Vehicle Financing LLC		1.8			
Avis Budget Car Rental		1.6			
The Hertz Corp.		1.1			
Spirit AeroSystems Inc.		0.6			
Cash and Cash Equivalents		0.4			
Total	%	99.8			



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