

Annual Management Report of Fund Performance

As at December 31, 2023

Lysander-Triasima All Country Long/Short Equity Fund



TRIASIMA



Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

A Note About Forward Looking Statements

This 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 annual Management Report of Fund Performance of Lysander-Triasima All Country Long/Short Equity Fund (the “Fund”) contains financial highlights for the year ended December 31, 2023 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2023. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge St., Suite 4000, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR+ at www.sedarplus.ca.

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

Investment objective

The Fund’s objective is to seek to provide long-term returns that are not correlated to major stock market indices by investing in, or gaining exposure to, primarily equity securities anywhere in the world. The Fund will use alternative investment strategies such as engaging in short sales and purchasing securities on margin or with borrowed funds.

Investment Strategies

The Fund’s portfolio manager is Triasima Portfolio Management Inc. (“Portfolio Manager” or “Triasima”). The Fund seeks long and short exposure to a diversified portfolio comprised primarily

of equity securities which involves simultaneously investing in equity securities (investing long) that the portfolio manager expects to increase in value and selling equity securities (investing short) that the portfolio manager expects to decrease in value relative to their comparables and/or where the portfolio manager expects these positions will reduce portfolio risk. The Fund is not constrained by geographic or sector considerations and could be substantially exposed to equity securities of issuers not in developed markets. From time to time, the Fund may also have exposure to depositary receipts, debt securities convertible into common stock, fixed income securities of governments, government agencies, supranational agencies, companies, trusts, limited partnerships and other funds including ETFs. 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

Since the inception of the Fund, Triasima employed its 3-pillar methodology that analyzes securities from three perspectives: quantitative, fundamental, and trend, to determine their suitability and attractiveness for the Fund.

The Lysander-Triasima All Country Long/Short Equity Fund is a liquid alternative fund of the long and short category. As such, the Fund does buy securities and is also allowed to borrow securities it does not own, and to sell these borrowed securities short.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

The Fund returns for the year ended December 31, 2023 were Series A and F -5.4% and -4.7%, respectively, versus 7.8% for the performance fee benchmark. The performance fee benchmark is the greater of i) the return generated by Canada 91-day Index, plus 3% per period or ii) a floor of 4% per annum.

This performance is consistent with the Fund's fundamental investment objective and strategies. The net assets of the Fund were approximately \$2.2 million at December 31, 2023 from \$7.9 million at the beginning of the year. There were net redemptions of approximately \$5.3 million during the year.

The Long positions of the Fund rose 2.5%, a positive outcome. Conversely, the Short positions rose 29.7%, a negative outcome. Overall, due to the sharp rise in the value of the short positions, the return for the Fund was negative.

In 2023, the significant increase in the price of several short holdings was startling and unusual. This phenomenon was particularly notable for volatile high beta stocks and growth companies with low profitability. For the most part, such securities had experienced a severe decline in 2022 due to the rising interest rates. But this was reversed during the first half of 2023 and an additional surge took place in the fourth quarter when it became recognized that inflation was weakening and central bankers indicated they were pausing their tightening efforts.

Notable examples of such situations include eHealth (Online Health Insurance, United States), 10x Genomics (Gene Sequencing Technology, United States) and Ally Financial (Banking, United States). On average, these stocks rose 57% during the year. In Canada, Bellus Health, another short position, experienced a substantial increase of 75% due to its acquisition by GSK.

The sector with the largest contribution to the Fund return was Information Technology (+6.3%). Sectors with the worst contributions were Industrials (-3.1%), Consumer Discretionary (-2.1%) and Energy (-1.8%).

The Fund routinely holds a large cash reserve due to its short selling activity. Some of this cash reserve is invested in money market instruments and short-term bonds. The cash reserve, money market instruments and bond holdings contributed positively to the Fund's return in 2023.

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 have been described below.

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

Recent Developments

Interest rates started rising two years ago and the effects of a higher cost of money have since permeated all aspects of the economy. A slow-motion slowdown has been ongoing in 2023, with the consumer facing multiple pressures due to higher inflation and higher borrowing costs.

Fortunately, inflation peaked back in the summer of 2022 and has been fading since. Central banks, however, stayed the course longer and kept on increasing their respective overnight rates. Goods-producing industries have weakened, and service-related spending has been expected to follow suit after surging in recent years. The strong labor market has supported confidence and spending, especially in North America, but it is beginning to lose steam. In the latter part of the year, Central banks have acknowledged the slowing economies and eased off on monetary policy tightening, with several choosing to pause their rate hike initiatives. At its last meeting in 2023, the American Federal Reserve pointed to possible rate cuts in 2024 concerning its benchmark rate.

China stands out as an exception amidst the global trend of monetary tightening due to significant economic challenges, including elevated youth unemployment, lackluster export markets, and substantial financial leverage in its property sector. While options are limited, the country is hesitant to increase debt or further depreciate its currency. Instead, China is expected to concentrate on targeted fiscal measures to address economic challenges.

During 2023, the large weight in the Fund of the defensive Healthcare sector was reduced, mainly through the sales of American managed care companies UnitedHealth and Elevance Health. This decision was influenced by the anticipation of normalized utilization rates as the impact of Covid diminishes, which could potentially put pressure on the margins of said companies.

Long exposure to the Energy sector was reduced to a 0% weight due to the sales of natural gas producers Tourmaline Oil and Arc Resources. Long exposure to the Materials sector also ended 2023 with a 0% weight, in light of falling inflation and slowing economies that are suppressing commodity prices.

Energy, Materials and Real Estate were the three sectors that were net short at the end of the year. Rising, or elevated, interest rates are a headwind to these sectors.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Conversely, the sectors with the largest weightings were Financials at 33% of Fund Capital and Technology at 16%.

The Fund ended 2023 with a concentrated portfolio, holding 36 Long positions and 30 Short Positions. Individually, Short positions are smaller than Long positions in the Fund.

There was a change to the Fund's Portfolio Manager on January 1, 2024 from Triasima to Canso Investment Counsel Ltd. Associated with the change in portfolio manager were no change in the investment objective and strategies of the Fund. There have been no 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 \$56,021 (including HST) in management fees to the Manager for the year ended December 31, 2023 (December 31, 2022 - \$89,930).

The Manager is also entitled to receive a performance fee from the Fund (the "Performance Fee") under certain conditions as described in the Fund's most recently filed prospectus. For the year ended December 31, 2023 the Performance Fee accrued payable by the Fund was nil (including HST) (December 31, 2022 - Nil).

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 will also pay the Portfolio Manager a percentage of any Performance Fee that the Manager receives from the Fund, such percentage to be agreed upon between the Manager and the Portfolio Manager from time to time.

The Manager paid \$27,469 (including HST) to the Portfolio Manager for the year ended December 31, 2023 (December 31, 2022 - \$44,039).

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-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Financial Highlights

Series A*

Year ended	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹				
Net assets, beginning of year	\$ 11.10	\$ 12.34	\$ 10.81	\$ 10.00
Operations:				
Total revenue	0.66	0.56	(1.07)	(2.29)
Total expenses	(0.3)	(0.32)	(0.74)	(0.15)
Realized gains (losses)	0.78	0.06	(0.03)	(0.56)
Unrealized gains (losses)	(1.89)	(1.66)	3.27	3.63
Total increase (decrease) from operations²	\$ (0.75)	\$ (1.36)	\$ 1.43	\$ 0.63
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	-	-	-	-
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ -	\$ -	\$ -	\$ -
Net assets, end of year^{2 3}	\$ 10.49	\$ 11.10	\$ 12.34	\$ 10.81
Ratios and supplemental data				
Net asset value ⁴	\$ 29,025	\$ 130,026	\$ 135,600	\$ 30,618
Units outstanding	2,766	11,715	10,989	2,832
Management expense ratio ⁵	% 2.42	% 2.45	% 6.34	% 2.24
Management expense ratio before waivers or absorption	2.66	2.81	6.72	3.44
Portfolio turnover rate ⁶	295.26	303.20	273.85	281.4
Trading expense ratio ⁷	0.96	0.59	0.66	0.8
Net asset value per unit, end of year	\$ 10.49	\$ 11.10	\$ 12.34	\$ 10.81

Notes

* Series A commenced operations on May 11, 2020.

- The information is derived from the Fund's 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 December 31, 2023 the management expense ratio excludes the stock loan fees which will be reflected in the trading expense ratio.
- 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. Effective December 31, 2023 the stock loan fees which will be reflected in the trading expense ratio.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Series F*

Year ended	31-Dec-2023	31-Dec-2022	31-Dec-2021	31-Dec-2020
Net assets per unit¹				
Net assets, beginning of year	\$ 11.25	\$ 12.29	\$ 10.68	\$ 10.00
Total revenue	2.24	0.67	(1.09)	(2.20)
Total expenses	(0.18)	(0.18)	(0.61)	(0.09)
Realized gains (losses)	0.73	0.13	(0.03)	(0.58)
Unrealized gains (losses)	(3.55)	(1.65)	3.35	3.13
Total increase (decrease) from operations²	\$ (0.76)	\$ (1.03)	\$ 1.62	\$ 0.26
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	-	-	-	-
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ -	\$ -	\$ -	\$ -
Net assets, end of year^{2 3}	\$ 10.72	\$ 11.25	\$ 12.29	\$ 10.68
Ratios and supplemental data				
Net asset value ⁴	\$ 2,192,418	\$ 7,740,593	\$ 9,464,728	\$ 6,906,079
Units outstanding	204,426	687,821	770,027	646,491
Management expense ratio ⁵	% 1.31	% 1.32	% 5.18	% 1.22
Management expense ratio before waivers or absorption	1.59	1.71	5.61	2.24
Portfolio turnover rate ⁶	295.56	303.20	273.85	281.4
Trading expense ratio ⁷	0.96	0.59	0.66	0.8
Net asset value per unit, end of year	\$ 10.72	\$ 11.25	\$ 12.29	\$ 10.68

Notes

* Series F commenced operations on May 11, 2020.

1 The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.

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 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 December 31, 2023 the management expense ratio excludes the stock loan fees which will be reflected in the trading expense ratio.

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 represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. Effective December 31, 2023 the stock loan fees which will be reflected in the trading expense ratio.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Management Fees

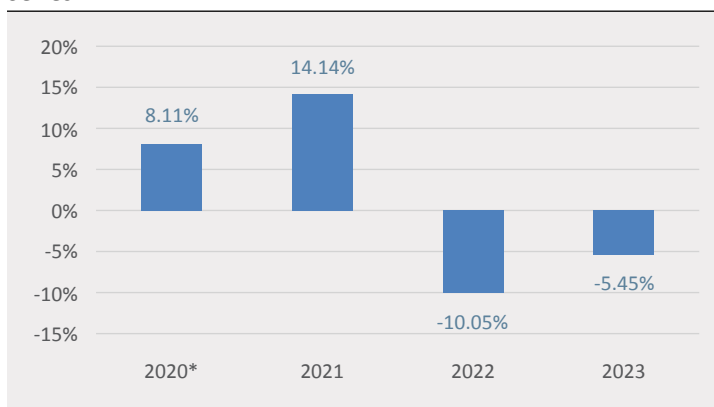
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee at a rate of 1.90% per annum for Series A units and at a rate of 0.90% per annum for Series F units.

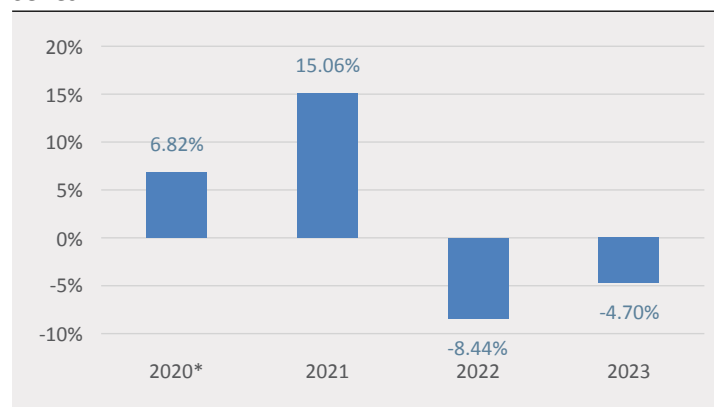
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 52.6% of the management fee of Series A units.

Year-by-Year Returns

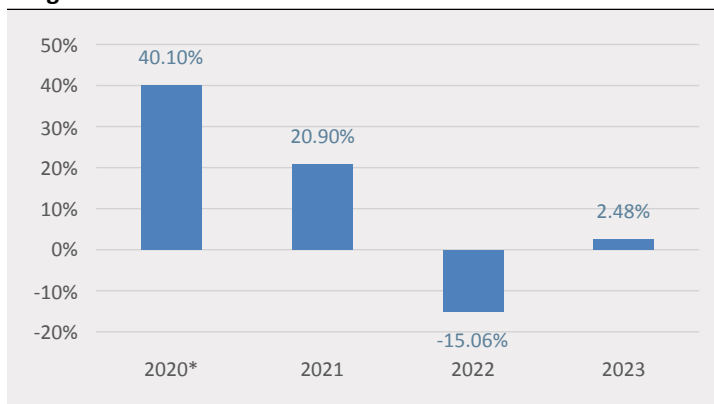
Series A



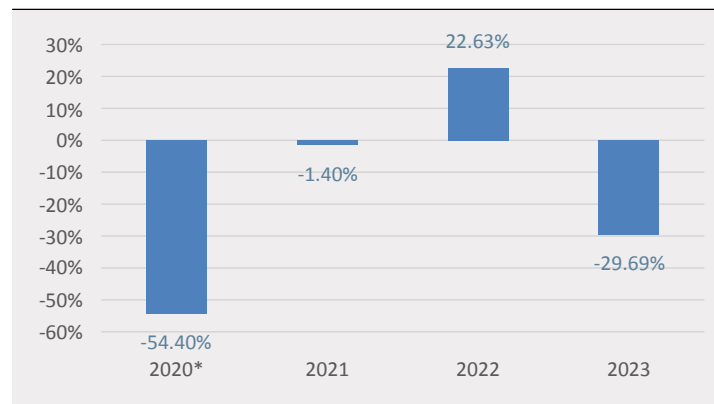
Series F



Long Portfolio



Short Portfolio



* For the period May 11 to December 31

Past Performance

The Fund became a reporting issuer on May 11, 2020. Accordingly, returns are shown for the relevant period/years as indicated below.

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.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the Fund's index ("Index" which is the greater of i) the Canadian Government Bonds 3 Month Bill + 3% per annum, or ii) 4% per annum. The Canadian Government Bonds 3 Month Bill Index tracks the performance of generic 3-month Government of Canada bills. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For year ended December 31, 2023		1 Year		3 Year ²		Since Inception ²
Annual Compound Return						
Series A ¹	%	(5.45)	%	(0.98)	%	1.34
Series F ¹		(4.70)		0.13		1.94
Long Portfolio ¹		2.48		6.01		13.51
Short Portfolio ¹		(29.69)		(0.58)		(13.32)
Index	%	7.75	%	5.70	%	5.40

Notes

¹ Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.

² Compound period returns are annualized.

³ Period starting from May 11, 2020. Since inception returns are annualized.

Lysander-Triasima All Country Long/Short Equity Fund

Annual Management Report of Fund Performance as at December 31, 2023

Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Long positions:			Canadian Equities		
Cash and Cash Equivalents	%	21.3		%	7.7
Toyota Credit Canada Inc. (Debt)		8.7	Canadian Fixed Income		16.6
Manulife Bank Of Canada (Debt)		6.5	Canadian Securities Sold Short		(5.1)
Toronto Hydro Corp. (Debt)		6.3	Cash and Cash Equivalents		21.3
Vertex Pharmaceuticals Inc.		4.6	Foreign Equities		88.1
Fomento Economico Mexicano Sab		4.0	Foreign Securities Sold Short		(39.8)
Teekay Tankers Ltd		3.9	Other Assets less Liabilities		2.5
Royal Bank Of Canada (Debt)		3.9	Private Placements		8.7
Mckesson Corp.		3.7	Total	%	100.0
Crowdstrike Holdings Inc.		3.6	Sector		
Zscaler Inc.		3.6	Cash and Cash Equivalents	%	21.3
Alphabet Inc.		3.6	Communication Services		0.8
Super Micro Computer Inc.		3.5	Consumer Discretionary		12.6
Sumitomo Mitsui Financial Grou		3.5	Consumer Staples		3.8
Msa Safety Inc.		3.0	Energy		(0.7)
Badger Meter Inc.		3.0	Financials		32.6
Ares Management Corp.		3.0	Industrials		5.8
Vulcan Materials Co.		3.0	Information Technology		16.2
Axon Enterprise Inc.		2.9	Materials		(2.6)
Unicredit Spa		2.9	Other Assets less Liabilities		2.5
Amazon.Com Inc.		2.9	Real Estate		(4.0)
Eaton Corp Plc		2.9	Utilities		6.3
Booz Allen Hamilton Holding Co.		2.9	Health Care		5.4
PDD Holdings Inc.		2.8	Total	%	100.0
TransDigm Group Inc.		2.8			
Total	%	112.8			
Total Portfolio Long Positions	%	144.9			
Total Portfolio Short Positions		(44.9)			



3080 Yonge Street, Suite 4000
Toronto, ON M4N 3N1
www.lysanderfunds.com

® Lysander Funds is a registered trademark of Lysander Funds Limited