LYSANDER-CANSO STRATEGIC CREDIT FUND

SIMPLIFIED PROSPECTUS

December 9, 2025

Offering Series A, Series F, and Series O Units

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Introduction

This Simplified Prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor. This Simplified Prospectus is divided into two parts. The first part, from pages 1 through 24, contains general information applicable to the Fund (as defined below). The second part, from pages 26 through 39, contains specific information about the Fund.

Throughout this Simplified Prospectus:

- *we, us, Lysander* or *the Manager* means Lysander Funds Limited, the trustee and investment fund manager of Lysander-Canso Strategic Credit Fund.
- *you* means each person who invests in the Fund.
- *dealer* means the company that sold you the Units of the Fund and the individual who sold them to you.
- *CRA* means the Canada Revenue Agency.
- *CRS* means The Organization for Economic Co-operation and Development's (OECD) Common Reporting Standard as implemented in Canada by Part XIX of the Tax Act.
- *custodian* means CIBC Mellon Trust Company.
- *FATCA* means the Foreign Account Tax Compliance Act as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act.
- *Fund* means Lysander-Canso Strategic Credit Fund.
- *HST* means the Harmonized Sales Tax.
- *intermediary* means a third party that you or your dealer may use to administer your accounts.
- *IRC* means the independent review committee of the Fund established pursuant to NI 81-107.
- the *Lysander ActivETFs* means Lysander-Canso Corporate Treasury *Activ*ETF, Lysander-Canso Floating Rate *Activ*ETF and Lysander Slater Preferred Share *Activ*ETF, and *Lysander ActivETF* means any one of them.
- the *Lysander Funds* means the Fund, together with the other mutual funds managed by the Manager and offered under separate simplified prospectuses and, for greater certainty, does not include the Lysander *Activ*ETFs.
- the *Lysander-Canso Funds* means the Fund, the Lysander Funds and the Lysander *Activ*ETFs for which Canso Investment Counsel Ltd. acts as portfolio manager.
- *NAV* means net asset value.
- *NAV per Unit* means the net asset value per Unit of a series of the Fund.
- *NI 81-102* means National Instrument 81-102 *Investment Funds*.
- *NI 81-107* means National Instrument 81-107 *Independent Review Committee for Investment Funds*.
- *Registered Plans* means collectively, trusts governed by registered retirement savings plans (including group registered retirement savings plans, locked in retirement savings plans and locked in retirement accounts),

registered retirement income funds (including life income funds, locked in retirement income funds and prescribed retirement income funds), deferred profit sharing plans, registered disability savings plans, registered education savings plans, tax free savings accounts and first home savings accounts.

- *Series* means a series of Units of the Fund.

- *Simplified Prospectus* means this simplified prospectus of the Fund.

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

- *underlying fund* means any investment fund in which the Fund invests.

- *Unit* means a mutual fund unit of the Fund.

- *Unitholder* means a holder of Units.

- *U.S. Dollar Funds* means Lysander-Canso U.S. Corporate Treasury Fund, Lysander-Canso U.S. Short Term and Floating Rate Fund and Lysander-Canso U.S. Corporate Value Bond Fund, which are Lysander Funds offered under a different simplified prospectus, and *U.S. Dollar Fund* means any of them.

For more information

You can find more information about the Fund in each of the following documents:

- the Fund's most recently filed Fund Facts documents (**Fund Facts**);

- the Fund's most recently filed annual financial statements;

- any interim financial report filed after those annual financial statements;

- the Fund's most recently filed annual management report of fund performance (**MRFP**); and

- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling toll free at 1-877-308-6979, or from your dealer.

These documents are also available at the Fund's designated website at **www.lysanderfunds.com** and at **www.sedarplus.ca.**

Responsibility for Mutual Fund Administration

The Manager

Lysander Funds Limited is the investment fund manager (the "**Manager**") of the Fund. The head office of the Manager is located at 3080 Yonge Street, Suite 4000, Toronto, Ontario M4N 3N1. The phone number for the Manager is 1-877-308-6979, the email address is manager@lysanderfunds.com and the website address is www.lysanderfunds.com. As Manager, we are responsible for the day-to-day operations and affairs of the Fund and provide marketing and administrative services to the Fund. We also furnish the office space and facilities, clerical help, bookkeeping and the internal accounting services required by the Fund. All Unitholder reporting and servicing requirements are also furnished by us or on our behalf. The Manager has retained CIBC Mellon Trust Company (the "**Administrative Agent**") to carry out certain administrative services for the Fund, including fund accounting, valuation, Unitholder recordkeeping, processing of subscriptions and redemptions and calculating and processing income and capital gains distributions. In this capacity, the receipt by the Administrative Agent of any document pertaining to the purchase, redemption, switch or reclassification of Units will be considered to be the receipt by the Fund.

The names and municipalities of residence of the directors and executive officers of the Manager, their respective positions and offices with the Manager are as follows:

Name and Municipality of Residence	Position with the Manager
Paul Adair Toronto, Ontario	Chief Investment Officer and Chief Operating Officer
Rachael Carswell Toronto, Ontario	Director
Timothy Hicks Peterborough, Ontario	Director
Ruth Liu Vaughan, Ontario	General Counsel, Chief Compliance Officer and Corporate Secretary
Heather Mason-Wood Richmond Hill, Ontario	Director
Patrick McCalmont Toronto, Ontario	Director
B. Richard Usher-Jones Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person and Director
David Steele Toronto, Ontario	Chief Financial Officer
Shirley Sumsion Markham, Ontario	Director

We act as Manager of the Fund pursuant to an amended and restated master management agreement made as of November 26, 2025, as amended on December 2, 2025 and December 9, 2025 (the "**Management Agreement**"). The Management Agreement may be terminated by us or the Fund on 60 days' prior written notice. Any change in the Manager of the Fund (other than to one of our affiliates) may be made only with the approval of the Unitholders of the Fund and, where applicable, in accordance with securities legislation.

Fund of funds
The Fund (referred to in this context as a "top fund") may buy securities of other investment funds including other mutual funds, exchange-traded funds and non-redeemable investment funds (referred to in this context as "underlying funds"). Where we are the manager of both the top fund and an underlying fund, we will not vote the securities of the underlying fund that are held by the top fund. However, in our discretion, we may decide to flow those voting rights to investors in the top fund.

Portfolio manager

Canso Investment Counsel Ltd. ("**Canso**"), located in Richmond Hill, Ontario, is the portfolio manager of the Fund pursuant to an amended and restated investment management agreement dated July 29, 2022 between us and Canso (the "**Canso IMA**"), with Schedule A to the agreement amended and restated on December 22, 2022, January 6, 2023, January 1, 2024, January 1, 2025, January 31, 2025, June 25, 2025, November 26, 2025, December 2, 2025 and December 9, 2025. Lysander and Canso are affiliates.

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

The Canso IMA 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 Canso IMA has been revoked by the applicable securities regulatory authority, if either party is unable to meet its obligations under the Canso IMA, or if either party is in material breach of the Canso IMA and such breach has not been cured within 30 days of receipt of written notice of such breach.

In its role as portfolio manager, Canso is responsible for the management of the Fund's portfolio, the establishment of investment policies and guidelines and the provision of investment analysis relating to the assets of the Fund. In carrying out these responsibilities, Canso may retain the services of other portfolio managers as sub-advisors for the Fund. Sub-advisors retained may be affiliated with either Canso or the Manager.

Investment decisions for the Fund are made by one or more teams of individual portfolio managers employed by Canso, and are not subject to the approval of any committee. The individuals who make up the portfolio management team for the Fund and their roles in the investment decision-making process for the Fund are as set forth in the table below.

Name and Title	Role in the Investment Decision-Making Process
Jeff Carter Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Jason Bell Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.

Name and Title	Role in the Investment Decision-Making Process
Jason Davis Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
John Laing Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Vivek Verma Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Faye Lee Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.
Jenny Meto Portfolio Manager	Member of the portfolio management team making investment decisions subject to the oversight of the Chief Investment Officer and the compliance department at Canso.

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 Canso, as the portfolio manager for the Fund.

In selecting brokers, various factors will be considered in the context of a particular trade and in regard to Canso's overall responsibilities with respect to the Fund and to other investment accounts Canso 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.

Portfolio transactions may be executed with brokers who provide research services to assist Canso 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 does not engage in "soft dollar arrangements" for such services in respect of their client accounts, including the account of the Fund.

Trustee

We act as trustee of the Fund under an amended and consolidated declaration of trust as of November 26, 2025, as amended on December 2, 2025 and December 9, 2025 (the "**Declaration of Trust**"), which establishes the fundamental operating structure for the Fund. In our capacity as trustee, we have ultimate responsibility for the undertaking of the Fund and must carry out the terms of the Declaration of Trust. We may resign as trustee of the Fund by giving 60 days' prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by Unitholders in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

Custodian

The portfolio assets of the Fund are held under the principal custodianship of CIBC Mellon Trust Company, located in Toronto, Ontario, pursuant to a custodial services agreement made as of December 8, 2011 and effective as of September 25, 2009, as amended on July 30, 2012, December 31, 2012, August 29, 2013, December 22, 2014, April 2, 2015, November 20, 2015, December 31, 2015, December 30, 2016, January 9, 2020, February 20, 2020, March 27, 2020, May 11, 2020, December 31, 2020, May 11, 2021, November 1, 2021, December 31, 2021, June 30, 2022, July 29, 2022, January 6, 2023, January 1, 2024, January 31, 2025, June 25, 2025, December 2, 2025 and December 9, 2025 (the "**Custodian Agreement**"). As custodian, CIBC Mellon Trust Company holds the cash and securities of the Fund. Any party to the Custodian Agreement may terminate it at any time upon 90 days' written notice or immediately, if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. The principal custodian has a qualified foreign sub-custodian in each jurisdiction in which the Fund invests in securities. The agreements between CIBC Mellon Trust Company and such sub-custodians are consistent with the provisions of the Custodian Agreement, provide that the Fund may enforce its rights in respect of its assets held in accordance with their provisions and otherwise comply with the relevant provisions of NI 81-102. CIBC Mellon Trust Company is not an affiliate of the Manager.

Auditor

Deloitte LLP of Toronto, Ontario is the auditor of the Fund. Deloitte LLP is not an affiliate of the Manager.

Registrar and transfer agent

CIBC Mellon Trust Company acts as the registrar and transfer agent and provides other administrative services for the Fund, from its principal offices in Toronto, Ontario, pursuant to a fund administration services agreement dated as of May 30, 2023 and effective as of October 1, 2023, as amended on June 25, 2024, January 31, 2025, June 25, 2025, November 26, 2025, and December 9, 2025. For more information on the administrative services provided by CIBC Mellon Trust Company, please see *Responsibility for Mutual Fund Administration – The Manager* on page 1. CIBC Mellon Trust Company is not an affiliate of the Manager.

Securities lending agent

In the event that the Fund engages in securities lending or repurchase or reverse repurchase transactions, CIBC Mellon Trust Company of Toronto, Ontario will be appointed as the Fund's securities lending agent. The securities lending agent is not an affiliate of the Manager.

Independent review committee and fund governance

General fund governance

The Manager, as the trustee and the investment fund manager of the Fund, has the ultimate authority to manage and direct the operations and affairs of the Fund, subject to applicable law and the Declaration of Trust. The Manager has established policies and procedures to enable and protect the proper functioning of the Manager and operations of the Fund. Such policies and procedures cover areas such as business continuity, cybersecurity, confidentiality, sales and marketing activities and management of conflicts of interest. In addition, the Manager has implemented various measures to assess risk, including daily market security valuation, exposure reporting and reconciliation of portfolio investments and cash positions. For more information on the policies and practices of the Manager, please see *Responsibility for Mutual Fund Administration – Polices and practices* on page 6.

The portfolio manager of the Fund is responsible for managing the investment portfolio of the Fund. Risk management is part of the portfolio manager's security selection, which is supported by a research process and decision-making process. Based on the portfolio manager's assessment of risks, the portfolio manager manages risks in the Fund's portfolio through diversification and making decisions on the amount of exposure accordingly.

Independent Review Committee
In accordance with NI 81-107, an IRC has been established for all of the investment funds managed by the Manager, including the Fund. The IRC is composed of 4 individuals, each of whom is independent of the Lysander Funds, the Manager and its affiliates. The current members of the IRC are Bill Schultz as Chair, Donna Peters-Imbrogno, Maryanne Wiley, and Ruth Gould.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions and the policies and procedures that it follows when performing its functions.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to us on conflicts of interest to which we are subject when managing the Fund. We are required under NI 81-107 to identify conflicts of interest inherent in our management of the Fund and to request input from the IRC on how we manage those conflicts of interest, as well as on our written policies and procedures outlining our management of those conflicts of interest. We must refer our proposed course of action in respect of any such conflict of interest matter to the IRC for its review. Certain matters require the IRC's prior approval. Other matters require the IRC's recommendation as to whether or not, in the opinion of the IRC, our proposed action will provide a fair and reasonable result for the Fund. For recurring conflict of interest matters, the IRC can provide us with standing instructions.

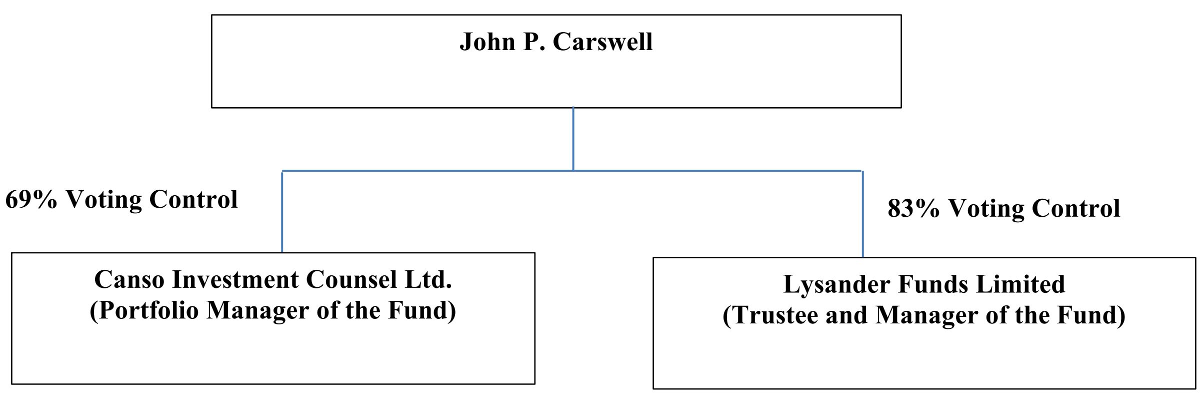
The IRC may also approve any change of the auditor of the Fund and, in certain circumstances, approve a fund merger. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger.

The IRC prepares, at least annually, a report of its activities for Unitholders. Such reports are available on the Fund's designated website at www.lysanderfunds.com, or at the Unitholder's request and at no cost, by contacting the Manager at manager@lysanderfunds.com.

The annual report of the IRC will be available on or about March 31 in each year.

Each member of the IRC receives a quarterly retainer, and will be reimbursed for reasonable expenses incurred. For more information on the compensation received by each member of the IRC, please see *Responsibility for Mutual Fund Administration - Remuneration of trustee, directors and officers – Independent Review Committee compensation* on page 8.

Affiliated entities
The following diagram shows the respective relationship between the Manager and any affiliated entity that provides services to the Fund and/or to the Manager with regard to the Fund:



Amounts material to the Fund paid by the Manager to an affiliated entity for services provided to the Fund will be reported in the audited financial statements of the Fund.

Policies and practices

General policies

In managing the day-to-day operations of the Fund, we have adopted certain policies as standard practice to comply with applicable legislation and regulations, including NI 81-102 and National Instrument 81-105 *Mutual Fund Sales Practices* ("**NI 81-105**"), relating to permitted compensation and trailing commissions, internal dealer incentive practices, marketing and education practices, sales disclosure and portfolio transactions. In addition, we have developed and adopted a formal compliance manual that governs all of our employees. The compliance manual includes policies on conflicts of interest, client confidentiality, acceptable outside activities, personal investments and requirements of our portfolio managers. The compliance manual also includes provisions and/or policies regarding recordkeeping, risk management and general compliance with regulatory and corporate responsibilities.

Use of derivatives

The Fund may use derivatives as described under *What does the Fund invest in? – Investment strategies*. The Fund's investment policies also describe the Fund's use of derivatives, if any. In addition to the disclosure in the Simplified Prospectus and the description in the investment policies, the Fund must comply with the investment restrictions and practices in NI 81-102. The decision as to the use of derivatives, if any, is made by Canso, as the Fund's portfolio manager. The portfolio manager of the Fund is responsible for establishing trading limits and other controls on derivative trading. The chief compliance officer of the portfolio manager is responsible for ensuring the Fund's use of derivatives is within the limits in NI 81-102. The Manager obtains confirmation from the portfolio manager on the Fund's compliance with NI 81-102 as part of the Manager's oversight.

Short selling

The Fund may engage in short selling. A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund 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 the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund 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 the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender.

Should the Fund engage in short selling, the Fund will have policies and practices to manage the risks associated with short selling. The Fund will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by the Fund to 5% of the NAV of the Fund and the total market value of all securities sold short by the Fund to 20% of the NAV of the Fund. The portfolio manager does not currently conduct risk measurements or simulations to test the Fund's portfolio under stress conditions in connection with short selling.

Securities lending, repurchase or reverse repurchase transactions

The Fund may engage in securities lending, repurchase and reverse repurchase transactions to the extent permitted by the Canadian securities regulators. Prior to engaging in such transactions, the Fund will implement policies and practices to manage the risks associated with these types of transactions, and which will be reviewed at least annually by the Manager's Chief Compliance Officer.

Specifically, where the Fund engages in such investments, it will:

- require that the other party to the transaction deliver collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions) or sold (for repurchase transactions), or 102% of the cash paid for the securities (for reverse repurchase transactions), as the case may be;

- hold collateral consisting only of cash, qualified securities or securities that can be immediately converted into securities identical to those that are on loan. The collateral is marked to market daily;

- adjust the amount of collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions, as the case may be, to under 50% of the NAV of the Fund (not including the collateral held by the Fund).

Should the Fund engage in securities lending, repurchase and reverse repurchase transactions, we will appoint an agent under the terms of a written agreement established and reviewed by us, in order to administer any securities lending, repurchase and reverse repurchase transactions for the Fund. Under the provisions of this agreement, the agent shall be required to:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;
- collect lending and repurchase fees and provide such fees to us;
- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that the Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and
- ensure that the market value of securities loaned or sold, as the case may be, by the Fund through lending and repurchase transactions does not exceed 50% of the NAV of the Fund (not including the collateral held by the Fund).

Should the Fund engage in such transactions, we will establish written policies and procedures that set out the objectives and goals for these particular types of investments. There are no limits or controls restricting these transactions and risk measurements or simulations are not used to test the portfolio under stress conditions. We are responsible for reviewing these investments on an as needed basis and such review will be independent of the agent. Each securities lending transaction, repurchase agreement, and reverse repurchase agreement must qualify as a "securities lending arrangement" under section 260 of the Tax Act.

Proxy Voting Policies and Procedures

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

Canso has adopted proxy voting policies that require Canso to vote proxies in the best interest of the Fund, which generally means voting in a manner that includes maximizing positive economic effect on the Fund's value and to protect the Fund's rights as a shareholder. The policies generally provide for voting in favour of management's recommendations unless there are specific circumstances for voting against and/or Canso believes the Fund's best interests would be better served by voting against such recommendations. Canso generally 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. Canso will document the reasons for a decision to cast a proxy vote in a manner that deviates from Canso's voting policies.

Canso's proxy voting policies provide that non-routine matters, including corporate restructurings, mergers and acquisitions, proposals affecting securityholder rights and executive compensation, will usually be addressed on a case-by-case basis with a focus on the best interests of the Fund.

The Fund is considered to have received a solicitation at the time it or Canso has received notice at its offices. In the event that Canso 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 Fund will not be able to vote on the matters solicited.

A copy of the complete proxy voting policies and procedures for the Fund is available to you on request, free of charge, by calling us toll free at 1-877-308-6979, by sending an e-mail to manager@lysanderfunds.com or by mailing to Lysander Funds Limited at 3080 Yonge Street, Suite 4000, Toronto, Ontario M4N 3N1.

The voting record, if any, for the previous year ended June 30 will be available free of charge to any Unitholder of the Fund upon request at any time after August 31 of that year and will be made available on the Fund's designated website at www.lysanderfunds.com.

Remuneration of trustee, directors and officers

Trustee compensation
We do not receive any additional fees for acting as trustee of the Fund.

Employee compensation
The management functions of the Fund are carried out by employees of the Manager. The Fund does not have employees.

Independent Review Committee compensation
Each member of the IRC is paid an annual retainer of $12,800 (except for Bill Schultz, who is paid $16,000 as chair) in aggregate by all the investment funds managed by the Manager (including its open-ended and closed-end funds). Additionally, IRC members are reimbursed for reasonable expenses related to each IRC meeting, such as meals, travel and accommodation. Other fees and expenses payable in connection with the IRC include insurance, legal fees and fees associated with IRC members' continuing education paid for that calendar year.

For the financial years ended December 31, 2023 and December 31, 2024, the aggregate amount of fees paid and expenses reimbursed to members of the IRC by all the investment funds managed by the Manager (which excluded the Fund as it was not in existence) was $108,800. In addition, $4,863 was incurred to pay for items such as insurance cost, legal fees, statutory benefits, administrative processing and fees related to continuing education of IRC members. Each of the investment funds managed by the Manager, including the Fund, pays its share of the fees and expenses paid to the IRC on a proportionate basis based on the NAV of each fund, which amount is reflected in the relevant fund's financial statements.

Material contracts
The material contracts that have been entered into by or on behalf of the Fund are as follows:

- the Declaration of Trust, as it may be amended from time to time, by the Manager, in its capacity as trustee, as described under *Responsibility for Mutual Fund Administration – Trustee*;
- the Management Agreement between the Manager and the Fund, as it may be amended or restated from time to time, as described under *Responsibility for Mutual Fund Administration – The Manager*;
- the Canso IMA between the Manager and Canso, as portfolio manager to the Fund, as described under *Responsibility for Mutual Fund Administration – Portfolio Manager*; and
- the Custodian Agreement between the Manager, as trustee of the Fund, and CIBC Mellon Trust Company, as custodian, as it may be amended or restated from time to time, as described under *Responsibility for Mutual Fund Administration – Custodian*.

Copies of the foregoing may be inspected during ordinary business hours on any business day at the head office of the Fund.

Legal proceedings
The Manager is not aware of any material legal proceedings, either pending or ongoing, which would affect the Fund.

Designated website
A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund can be found at www.lysanderfunds.com.

Valuation of portfolio securities

Assets
In determining the fair value of the assets of the Fund the following rules apply:

- the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and other distributions declared and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined 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 the Manager determines to be the reasonable value thereof,

- short term investments, including notes and money market instruments, are valued at cost plus accrued interest or at current market value;

- the value of any share, subscription right or other equity security which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price or closing price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price therefor as the Manager may from time to time determine) on the day as of which the NAV or NAV per Unit is being determined, as reported by any means in common use. The value of any bond or other debt security shall be determined by using prices supplied by the Fund's pricing agents which reflect broker/dealer supplied valuations and electronic data processing techniques. If it is not possible to value a particular debt security pursuant to these valuation methods, then the value of such security shall be the most recent bid quotation supplied by a bona fide market-maker. The value of interlisted securities shall be computed in a manner which in the opinion of the Manager most accurately reflects their fair value. If, in the opinion of the Manager, the above valuations do not properly reflect the prices which would be received by the Fund upon the disposal of shares or securities necessary to effect any redemption or redemptions, the Manager may place such value upon such shares or securities as appears to it to most closely reflect the fair value of such shares or securities;

- the value of any bond, time note, share, subscription right, debenture and other debt security or other security or other property which is not listed or dealt in on a stock exchange shall be determined on the basis of such price quotations which in the opinion of the Manager best reflect its fair value;

- investments in investment funds that do not trade on an exchange are valued at the end of day net asset value per security;

- 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 Fund;

- any security sold but not delivered, pending receipt of the proceeds, shall be valued at the net sale price;

- the value of any restricted security, as defined in NI 81-102, shall be such value which in the opinion of the Manager best reflects its fair value;

- long positions in clearing corporation options, options on futures, over the counter options, debt like securities and listed warrants shall be valued at the current market value thereof;

- any premium received by the Fund for a written covered clearing corporation option, option on futures or over the counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over the counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the NAV of the Fund or the series of the Fund. The securities, if any, which are the subject of a written clearing corporation option or over the counter option shall be valued in accordance with the provisions of this paragraph;

- futures contracts and forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date (as defined under *Calculation of net asset value*), the position in the futures contract or 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;

- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

- 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;

- all assets of the Fund valued in terms of foreign currency, funds on deposit, contractual obligations payable to the Fund in foreign currency and liabilities payable by the Fund in foreign currency shall be determined at the current rate of exchange, or as nearly as practicable to, the time as of which the NAV is computed. Foreign currency for the purpose of this section is currency other than Canadian currency; and

- the value of any bond, time note, share, subscription right or other security or other property for which none of the above valuation procedures is applicable shall be the fair value thereof as determined from time to time in such manner as the Manager may determine.

Each portfolio transaction by the Fund will be reflected in the next calculation of NAV per Unit made after the date on which the transaction becomes binding. A Unit of the Fund 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 Fund. A Unit of the Fund being redeemed shall be deemed to remain outstanding until immediately following the calculation of the NAV per Unit that is the redemption price; thereafter, until payment has been made for such redeemed Unit, the redemption price shall be deemed to be a liability of the Fund. Accordingly, the issue of Units and the redemption of Units will be reflected in the next calculation of NAV per Unit made after the date a subscription order or a redemption request, as the case may be, is accepted and becomes binding.

The Series NAV per Unit of the Fund, for all purposes other than financial statements, is calculated using the valuation principles set out above. For financial reporting purposes, the Fund applies IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board to prepare its annual and interim financial statements. The valuation principles used to determine the NAV for purchases and redemptions by Unitholders may differ in some respects from the requirements of IFRS. As a result, the Series NAV per Unit presented in the financial statements may differ from the Series NAV per Unit for the purpose of purchases and redemptions of units of the Fund.

The Manager may authorize other 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.

The Manager has the discretion noted above to deviate from the Fund's valuation principles set out above. We have not exercised such discretion in the past three years.

Liabilities

The liabilities of the Fund shall be deemed to include:

- all bills and accounts payable;

- all fees and expenses payable by the Fund and/or accrued, which shall be accrued daily or as available;

- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions;

- all allowances authorized or approved by the Manager for taxes or contingencies; and

- all other liabilities of the Fund or series of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Units.

Fair value pricing

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 Fund may use fair value pricing in a variety of circumstances, including but not limited to, situations when the value of a security in the Fund'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.

We employ fair value pricing for two purposes. Firstly, it increases the likelihood that the Fund's NAV truly reflects the value of the Fund's holdings at the time the NAV is determined. Secondly, it acts to deter market timing activity by decreasing the likelihood that a Unitholder is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4:00 p.m. (Eastern Time). Our fair value pricing techniques involve assigning values to the Fund's portfolio holdings that may differ from the closing prices on the foreign securities exchanges. We do this in circumstances where we have in good faith determined that to do so better reflects the market values of the securities in question.

Calculation of net asset value

As at 4:00 p.m. (Eastern Time) on each day that the Toronto Stock Exchange ("**TSX**") is open for business (a "**Valuation Date**"), the NAV per Unit of each Series is calculated for the Fund in Canadian dollars. The NAV per Unit (or Unit price) is based on the fair value of the series' proportionate share of the assets of the Fund, less that series' proportionate share of common liabilities and less any liabilities attributable to that series of the Fund, divided by the total outstanding Units of that series. The NAV per Unit is the basis for all purchases, switches, reclassifications and redemptions and for reinvestment of distributions.

The Manager will make available the NAV per Unit of each series of the Fund on the Fund's designated website at www.lysanderfunds.com. Such information will also be available on request, free of charge, by calling the Manager toll free at 1-877-308-6979, by sending an email to manager@lysanderfunds.com or by mailing the Manager at 3080 Yonge Street, Suite 4000, Toronto, Ontario M4N 3N1.

Purchases, switches and redemptions

The Fund may have an unlimited number of series and may issue an unlimited number of Units of each series. The Fund currently offers Series A, Series F and Series O Units.

Units of each series of the Fund are offered on a continuous basis.

To purchase Units of the Fund, purchase orders must be placed with registered dealers in an investor's province or territory, except for orders placed under any applicable registration exemption. You may purchase, switch (redeem Units of the Fund and purchase units of another Lysander Fund), reclassify (change Units of the Fund into Units of another series of the Fund) or redeem Units of the Fund only through registered dealers in each jurisdiction where the Units are qualified for sale, except that switches between the Fund and U.S. Dollar Funds are not permitted.

Series of Fund Units

With respect to the different series of Units described below, we reserve the right to set and change minimum initial and subsequent investment requirements for the Fund without notice to you. We reserve the right to redeem your Units if the value of your Units falls below these set minimum investment amounts.

Series A Units: Available to all investors.

Series F Units: Available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

Series O Units: Available to select investors who have been approved by us and have entered into a Series O Fund Purchase Agreement with us. These investors are typically institutional clients, financial services companies that make large investments in the Fund and that will use Series O Units of the Fund to facilitate offering other products or group programs to investors.

How to purchase Fund Units

You can buy Units of the Fund through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy units in a mutual fund. You may hold Units in trust for a minor.

Purchase price and purchase frequency

When you buy Units in the Fund, the price you pay is the NAV per Unit of those Units. In general, the NAV per Unit is the NAV of the series of the Fund, divided by the total number of Units of that series outstanding. The NAV per Unit is calculated at the end of each Valuation Date.

We calculate the NAV per Unit for each series of the Fund in Canadian dollars.

Units of the Fund may be purchased on a daily basis. If we receive your purchase order before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on a Valuation Date, we will process your order based on the NAV per Unit calculated on that day. If we receive your order after that time, we will process your order based on the NAV per Unit calculated on the next Valuation Date.

The Fund does not intend to issue certificates for Units. Ownership will be evidenced by entry in the register maintained by the Fund's registrar. For information on the Fund's registrar, see the description under *Responsibility for Mutual Fund Administration – Registrar and transfer agent*.

Purchasing Series A Units

Series A Units are available to all investors under the following purchase option:

Initial Sales Charge Option

Under the Initial Sales Charge Option, investors may pay a fee of up to 5% of the amount invested to the dealer at the time of purchase for Series A Units of the Fund.

Purchasing Series F Units

Series F Units are only available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

There are no sales charges, redemption fees, trailing commissions or other commissions payable on the purchase or sale of Series F Units. However, to hold Series F Units, the dealer may charge an investor: (i) a fee based on the assets in that investor's account, (ii) brokerage commissions on the purchase or sale of the Series F Units, or (iii) program or platform fees. See *Fees and expenses payable directly by you* on page 18 for more information.

Purchasing Series O Units

Series O Units are available to select investors who have been approved by us and have entered into a Series O Fund Purchase Agreement with us. These investors are typically institutional clients, financial services companies that make large investments in the Fund and that will use Series O Units of the Fund to facilitate offering other products or group programs to investors. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with us. No management fees are charged to the Fund with respect to Series O Units, but investors will be charged a negotiated management fee that is paid directly to the Manager.

There are no sales charges, redemption fees, trailing commissions or other commissions payable by you or paid to dealers in connection with Series O Units.

If Unitholder ceases to be eligible
If you cease to be eligible to hold your series of Units, we may change your Units into another series of the Fund for which you are eligible after giving you 30 days' prior written notice, unless you notify us during the notice period and we agree that you are once again eligible to hold the original series of Units. On a change from the original Series of Units to another series, you will be required to pay the fees and charges under the applicable series, if any.

Minimum investment
The minimum initial investment in Units of Series A and Series F of the Fund is $500. The minimum additional investment is $100. The initial minimum investment amount may be adjusted or waived in our absolute discretion and without notice to Unitholders. Series O is typically for larger amounts. These amounts are determined from time to time by us in our sole discretion. They may also be waived by us and are subject to change without prior notice.

How we process your order
All orders for Units are forwarded to the registered office of the Fund for acceptance or rejection and the Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for Units to the registered office of the Fund without charge to the Unitholder. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal may be done through the electronic facility known as "Fundserv". Receipt of an order, payment or other documentation by such a facility on behalf of the Fund will be considered to be receipt by the Fund. You and your dealer are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions.

If your purchase is made through a dealer, we must receive full payment within 1 business day of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your Units on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

We have discretion to reject any purchase order. The decision to accept or reject any purchase order will be made within 1 business day of receipt of the order. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

How to redeem your Fund Units
You may redeem all or a portion of your Units of the Fund by delivering a written redemption order to your dealer. Dealers must transmit the particulars of such redemption requests to the Fund without charge to a Unitholder and must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal may be done through the electronic facility known as "Fundserv". Receipt of a redemption request or other documentation by such a facility on behalf of the Fund will be considered to be receipt by the Fund. You and your dealer are responsible for ensuring that your redemption request is accurate and that we receive all necessary documents or instructions. Your request must be duly authorized by you and, for the protection of investors, we or your dealer may require additional steps such as your signature being guaranteed by a guarantor acceptable to us or to your dealer, as applicable.

Redemption price and redemption frequency
Units of the Fund are redeemable on a daily basis. If we receive your redemption request before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on a Valuation Date, we will calculate your redemption value based on the NAV per Unit as of that day. If we receive your redemption request after that time, we will calculate your redemption value based on the NAV per Unit as of the next Valuation Date.

Special rules for redemptions
Special rules may apply if:

- your redemption proceeds are $25,000 or more;
- you ask us to send your redemption proceeds to another person or to a different address than that recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or

- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming Units.

Redemption fees
There are no fees payable when redeeming Units of the Fund, other than applicable short-term trading fees that may apply as described below.

Excessive short-term trading
In general, the Fund is a long-term investment. Some Unitholders may seek to trade or switch Units frequently to try to take advantage of changes in the NAV or the difference between the Fund's calculated NAV and their perceived value of the Fund's portfolio holdings. This activity is sometimes referred to as "market timing". Frequent trading or switching in order to time the market can hurt the Fund's performance, affecting all the Unitholders in the Fund, by forcing the Fund to keep cash or sell investments to meet redemptions. We use a combination of measures to detect and deter market-timing activity in the Fund, including:

- monitoring trading activity in Unitholder accounts and placing accounts, the trading activity of which prompts further surveillance by the Manager, on a watch list;

- declining or restricting further trades by the accounts on the watch list;

- issuing warning letters to the investment advisor of a Unitholder account if the account has engaged in frequent trading;

- imposing short-term trading fees; and

- when appropriate, applying fair value pricing to foreign portfolio holdings in determining the NAV of the Fund.

Short-term trading fees
If you redeem or switch Units within 7 days of purchase, we may charge a short-term trading fee of up to 1% of the value of the Units redeemed or switched on behalf of the Fund. This is in addition to any switch fee that you may pay to your dealer. See *Switch fees* on page 15 and *Fees and expenses payable directly by you* on page 18. Each additional switch counts as a new purchase for this purpose.

A short-term trading fee will not be charged for a redemption of Units: (a) where we determine that the Fund is not disadvantaged by the redemption (for example, if the Fund did not have to sell securities to fund the redemption), (b) pursuant to a systematic withdrawal program, (c) on redemptions by another investment fund, product or program approved by us or (d) in other appropriate circumstances in our absolute discretion. For more information on short-term trading fees, please see *Fees and expenses payable directly by you* on page 18.

How we process your redemption request
We must receive all necessary documentation within 10 business days of receipt of the redemption order. The investor will generally be sent the redemption proceeds within 1 business day of the date the Units were priced subject to us receiving all necessary documentation. If the documentation is not received within 10 business days of receipt of the redemption order, the redemption order will be reversed by processing a purchase order on the 10^{th} business day for the number of Units of the Series that were redeemed. Where a redemption order has been reversed, the redemption proceeds will be used to pay for the Units purchased. Any excess proceeds belong to the Fund. Any shortfall will be paid to the Fund by us. However, we will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request. That dealer, in turn, may seek to collect this amount plus the expenses of doing so from the investor on whose behalf the redemption request was made. Payment for the Units redeemed shall be made as described above, provided that your cheque in payment for the purchase of any of the Units being redeemed has cleared. We will deduct any required withholding tax from the payment, as applicable.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise. If your account is registered in your name, we will mail you a cheque, unless you tell us to deliver the proceeds by wire transfer to your account at a Canadian bank, trust company or credit union. If you choose payment by wire transfer, you need to send us an imprinted void cheque so we can deposit the funds directly into your account, and you will be charged the cost of this wire transfer.

Automatic redemption
Unitholders must be a Canadian resident in order to purchase and/or hold Units of the Fund. If you cease to be a Canadian resident, we reserve the discretion to redeem all of the Units in your account and send the proceeds to you. In addition, if a Unitholder does not provide a valid taxpayer identification number or self-certification form from a FATCA or CRS perspective, which could result in non-compliance penalty obligations to the Fund, we may redeem some of the Unitholder's Units to make the Fund whole for the imposition of such penalties.

Unitholders in Series A or Series F of the Fund must keep at least $500 in each of their accounts. If your account falls below this amount, we may notify you and give you 30 days to make another investment. If your account stays below $500 after those 30 days, we may redeem all of the Units in your account and send the proceeds to you.

Suspending your right to redeem Fund Units
Your right to redeem Units of the Fund may be suspended for all or part of a period ("**redemption suspension period**"): (i) when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada upon which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded (and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund); or (ii) with the consent of any securities commission or regulatory body having jurisdiction. The suspension shall apply to all requests for 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. During any redemption suspension, no calculations of NAV per Unit will be made and the Fund will not be permitted to issue further Units or redeem any Units previously issued.

The calculation of NAV per Unit will resume when trading resumes on the exchange or with the permission of any securities commission or regulatory body having jurisdiction. If you make a redemption request during a redemption suspension period, your Units will be redeemed by the Fund in accordance with the redemption request at the NAV per Unit first calculated following the end of the redemption suspension period.

How to switch your Fund Units or reclassify between series
You can switch all or some of your Units of the Fund to units of the same series of another Lysander Fund by completing a transfer order form and depositing it with your dealer, except that switching between the Fund and a U.S. Dollar Fund is not permitted. A switch constitutes a sale (redemption) by you of your Units of the Fund and a purchase of units of another Lysander Fund.

You may reclassify all or some of your Units of the Fund to Units of a different series of the Fund through your dealer if you meet the eligibility criteria for the series into which you are reclassifying; however, you will be subject to the sales charge option applicable to that particular series, if any.

We may reclassify your series of Units of the Fund into another series of the same Fund for which you are eligible upon 30 days' prior notice if you cease to be eligible to hold the original series of Units in your account. We will not make the reclassification if your dealer notifies us during the notice period, and we agree, that you are once again eligible to hold the original series of Units.

Tax consequences of switching or reclassifying
A switch of Units between Lysander Funds results in a disposition for tax purposes and may result in a capital gain or capital loss, which will be taxable if the Units are held outside of a Registered Plan. A reclassification of Units within a Lysander Fund will not generally result in a disposition for tax purposes and consequently does not result in a capital gain or capital loss, unless Units are redeemed to pay any applicable switch fees. See *Income tax considerations* on page 20 for more details.

Switch fees
Your dealer may charge you a fee of up to 2% of the amount you switch or reclassify. You and your dealer negotiate the fee.

You may also have to pay to the Fund a short-term trading fee if you switch Units you bought or switched into in the last 30 days. See *Excessive short-term trading* on page 14 and *Short-term trading fees* on page 14.

Optional Services Provided by the Mutual Fund Organization

Systematic purchase program
To invest money in the Fund on a regular basis, you may set up a systematic purchase program at no charge other than the fees associated with the purchase option you select. Ask your dealer for details.

Systematic withdrawal program
To withdraw money from the Fund on a regular basis, you may set up a systematic withdrawal program at no charge. Ask your dealer for details. The systematic withdrawal program may also be used in certain series of the Fund to generate cash to pay ongoing amounts due from you to your dealer. If your withdrawals in the Fund over time are greater than your investments and the income and growth in the Fund, you may eventually reduce your balance to zero.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Fund. You will pay some of these fees and expenses directly. The Fund may pay some of these fees and expenses, which therefore reduces the value of your investment in the Fund.

The consent of Unitholders will be obtained if: (i) the basis of the calculation of a fee or expense that is charged to the Fund (or a series of the Fund), or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund, is changed in a way that could result in an increase in charges to the Fund (or a series of the Fund) or to its Unitholders; or (ii) a fee or expense to be charged to the Fund (or a series of the Fund), or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund that could result in an increase in charges to the Fund (or series of the Fund), or to its Unitholders, is introduced. In either case, Unitholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund, or is not required under securities regulation. Instead, if required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

For Series F and Series O of the Fund, we may change the basis of the calculation of a fee or expense, or introduce a new fee or expense, in each case in a way that could result in an increase in charges to the series or to their Unitholders upon providing at least 60 days' written notice before the effective date of any such change.

Fees and expenses payable by the Fund

Management fees	As investment fund manager, the Manager is responsible for the day-to-day operations and affairs of the Fund and provides marketing and administrative services to the Fund, including office space and facilities, clerical help, bookkeeping, internal accounting services, and Unitholder reporting and servicing requirements. The Fund pays the Manager a management fee for day-to-day management and administration services (the "**Management Fee**"). The management fee is calculated by multiplying the Fund's NAV attributable to the applicable series of Units (Series A and Series F Units, as the case may be) by an annual management fee rate. The annual management fee rate is unique to each series of Units. Series O Units of the Fund does not pay a management fee. Series O investors pay a negotiated management fee directly to the Manager, which will not exceed the management fee payable on Series A Units. The Management Fee is calculated and accrued daily and paid monthly.

	The Management Fee for each series of the Fund is shown in the description of the Fund on page 38. The Management Fee is subject to HST and other applicable taxes. <u>Management Fee Distributions</u> The Manager reserves the right to offer a reduced management fee to eligible investors in Series A or Series F Units of the Fund who, among other considerations, hold large investments in the Lysander Funds, including the Fund. This is achieved by reducing the annual management fee rate charged by us to the Fund based on the aggregate NAV of the Units held by such investor and the Fund distributing an amount equal to such reduction (a "**Management Fee Distribution**") and reinvesting these distributions in additional Units of the same series of the Fund to the investor. Management Fee Distributions may be made payable as of any Valuation Date and are paid first out of net income and net realized capital gains, and thereafter out of capital. The income tax consequences of Management Fee Distributions will generally be borne by the qualifying investors receiving the Management Fee Distributions. See *Income tax considerations* for more information regarding the income tax consequences of a Management Fee Distribution.
Management Fee Distribution Program	If you invest in Series A or Series F units of the Fund, you may be eligible for our Management Fee Distribution Program, which offers you lower management fees in the form of Management Fee Distributions, as described in *Management fees – Management Fee Distributions* above. The Management Fee Distributions are offered in our sole and absolute discretion. Generally, our Management Fee Distribution Program is not available to institutional investors. We may vary the terms, conditions and eligibility criteria of the Management Fee Distribution Program from time to time in our sole discretion or discontinue the program without notice to investors. We communicate any changes to applicable dealers and further information can be obtained from us. Under the Management Fee Distribution Program, generally, a Management Fee Distribution is available to: (i) an account (an "**Eligible Account**") where the aggregate purchase price of the Units held in the account meets the thresholds described below; and (ii) an Eligible Group of Accounts (defined below) where the aggregate purchase price of the Units held in the accounts meets the thresholds described below, in each case, at the end of a calendar quarter. For the purposes of calculating the purchase price, Units received on a reinvested distribution, will be included at their NAV on the date of reinvestment. An "**Eligible Group of Accounts**" means: (i) accounts with the same registered owner and/or beneficial owner; or (ii) accounts of family members of the same household (same residential address), in each case, held by the same dealer. For investors who are not employees or retired employees of the Manager, only accounts at a full-service dealer firm can be part of an Eligible Group of Accounts, as the Management Fee Rebate Householding Application must be completed by a financial advisor. For investors who are employees or retired employees of the Manager, accounts at both a full-service dealer firm and at an order-execution-only dealer can be part of an Eligible Group of Accounts, in which case the employee or retired employee must notify the Manager of the accounts that form the Eligible Group of Accounts. To have any Management Fee Distribution apply to an Eligible Group of Accounts, your financial advisor must complete a "Management Fee Rebate Householding Application" on behalf of your account(s) and submit it to us. The application advises us of the accounts that qualify and should be linked as an Eligible Group of Accounts that meets the specified thresholds and therefore are eligible for the Management Fee Distributions described below. You are responsible for ensuring that your financial advisor is aware of all the accounts that should be linked as an Eligible Group of Accounts in the application. A Management Fee Distribution at the rate of 0.10% per annum (plus applicable taxes) is available to an Eligible Account or Eligible Group of Accounts with an aggregate purchase price

	of more than $1,000,000 (but less than $5,000,000) invested in one or more Lysander Funds and/or the pooled funds offered by Canso (the "**Canso Funds**"). A Management Fee Distribution at the rate of 0.15% per annum (plus applicable taxes) is available to an Eligible Account or Eligible Group of Accounts with aggregate purchase price of more than $5,000,000 invested in one or more Lysander Funds and/or the Canso Funds. However, at this threshold, accounts with Lysander-Canso Corporate Treasury Fund or Lysander-Canso U.S. Corporate Treasury Fund will continue to only receive a 0.10% Management Fee Distribution on Units of these Funds. Under the Management Fee Distribution Program, each Eligible Account and each Eligible Group of Accounts will be eligible to receive a Management Fee Distribution as described above in respect of each day of a calendar quarter provided the applicable threshold is met at the end of a calendar quarter, and in the case of Eligible Group of Accounts, a Management Fee Rebate Householding Application has been received by us. Management Fee Distributions will be paid on or about the 15th day following each calendar quarter end in respect of the Fund, provided that Units of the Fund are held in the account or accounts on the date of payment. Where an Eligible Account or an Eligible Group of Accounts no longer holds Units of the Fund that were eligible for a Management Fee Distribution during the previous quarter on the date that the Management Fee Distributions are paid (i.e., on or about the 15th day following a calendar quarter), no Management Fee Distributions will be paid. Calculations and payments of Management Fee Distributions are made in the valuation currency of the Fund.
Other operating expenses	The Fund is responsible for paying its own operating expenses, including brokerage commissions and fees on portfolio transactions, interest expenses, operating, administrative and systems costs (which could include overhead expenses of the Manager that are related to daily fund operating functions such as employee salaries, rent and utilities), custodian fees, regulatory fees (e.g. capital markets participation fees), costs and expenses related to the IRC, audit and legal fees, insurance, trustee fees, directors' or advisory committee's fees (if any), registrar's fees, distribution costs, the cost of servicing Unitholders and reporting to Unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of the Units of the Fund, any other fees that become commonly charged in the Canadian mutual fund industry, and applicable taxes payable on any of these expenses, including HST. In their discretion, the Manager or the portfolio manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the portfolio manager to make similar future payments, and such payments may be stopped without notice to you.
Underlying funds	The Fund may, in accordance with applicable securities laws, invest in other investment funds managed by the Manager or its affiliates (including another Lysander Fund, another Lysander *Activ*ETF or a non-redeemable investment fund) and other investment funds managed by third parties. With respect to such investments, no management or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the other investment funds for the same service. Where the Fund invests in another investment fund that is not managed by the Manager or its affiliate, the fees and expenses payable in connection with the management of that investment fund, including management and incentive fees, are not duplicative and are in addition to those payable by the Fund. No sales or redemption fees are payable by the Fund 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 directly by you

Sales charges	Under the Initial Sales Charge Option, a sales charge of up to 5% of the amount you invest may be charged by your dealer if you purchase Series A Units of the Fund. You can negotiate the

	amount with your dealer. No fees are paid to your dealer at the time of purchase of Series F or Series O Units.
Series F fees	If you invest in Series F Units, you may have to pay your dealer (i) a fee based on the assets in your account, (ii) brokerage commissions on the purchase or sale of Series F Units, or (iii) program or platform fees. Investors in Series F Units do not pay sales charges and we do not pay any commissions to dealers in respect of Series F Units. In certain cases where a fee is charged, we may collect the fee on behalf of your dealer.
Series O management fees	Series O investors negotiate and pay an annual management fee, plus any applicable taxes, to us directly. The Series O management fee will not exceed the Series A management fee for the Fund. The fee is accrued daily and paid monthly or quarterly, as agreed to between the Manager and the investor.
Switch fees	You may pay up to 2% of the current value of the Series of Units being: (i) switched between the Fund and another Lysander Fund, except that switches between the Fund and a U.S. Dollar Fund are not permitted; or (ii) reclassified between Series of the Fund. You negotiate the switch fees with your dealer.
Short-term trading fee	You may pay up to 1% of the current value of the Series of Units of the Fund that you own if you redeem or switch them within 7 days of purchase. All short-term trading fees are deducted from the amount you redeem or switch and are paid to the Fund. See *Short-term trading fees* on page 14 for details. No short-term trading fees will be charged for a redemption of Units: (a) where we determine that the Fund is not disadvantaged by the redemption (for example, if the Fund did not have to sell securities to fund the redemption), (b) under a systematic withdrawal program, (c) on redemptions by another investment fund, product or program approved by us or (d) in other appropriate circumstances in our absolute discretion.

Dealer compensation

When you purchase Series A Units of the Fund, your dealer receives two primary types of compensation – sales commissions and trailing commissions. Initially, your dealer may be paid a negotiable sales commission by you. Thereafter, a trailing commission is accrued daily and paid quarterly by us and is based upon the percentage of the NAV per Unit of all Series A Units of the Fund held in your account with your dealer.

There are no sales commissions or trailing commissions paid in respect of Series F or Series O Units purchased under this Simplified Prospectus.

Sales commissions – Series A

For Series A Units of the Fund purchased under the Initial Sales Charge Option, the dealer which distributes such Units may charge you a sales commission of up to 5.0% ($50 for each $1,000 investment) of the value of the Series A Units of the Fund you purchased.

Trailing commissions – Series A

We pay your dealer a portion of the Management Fee to assist your dealer in providing you with continuing advice and/or service. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers.

For Series A Units, we will pay trailing commissions to dealers at an amount up to the annual rates listed below, based upon the aggregate value of Series A Units of the Fund held in that dealer's client accounts:

Series of Units	Maximum Annual Rate

Series A Units	0.50% ($50 for each $1,000 investment)

The trailing commission is paid by us to your dealer quarterly during each calendar year and will be calculated based on a daily average asset calculation. This trailing commission is determined by us and may be changed at any time. It is expected that dealers will pay a portion of the trailing commission to sales representatives as compensation for providing ongoing investment advice and/or service to the clients.

Sales incentives

In addition to the sales commissions and trailing commissions listed above, we may share the costs of local advertising, dealer training seminars or other marketing or sales-related expenses with registered dealers to better serve their clients. We may also provide dealers non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in dealers' sales representatives receiving non-monetary benefits. These activities are in compliance with applicable laws and regulations and costs incurred by them will be paid by us and not the Fund.

Equity interest

The Manager is an affiliate of each of Canso and PBY Capital Limited ("**PBY Capital**"), and a specified affiliate of Portfolio HiWay Inc. Each of Canso and PBY Capital is registered as an exempt market dealer in all provinces of Canada. Portfolio HiWay Inc. is registered as an investment dealer in all provinces and territories in Canada. As at the date of this Simplified Prospectus, John Carswell, Executive Chair, Chief Investment Officer and a director of Canso, through his direct and indirect ownership of the issued and outstanding voting securities of each of Canso, the Manager, PBY Capital and Portfolio HiWay Inc., had more than 10% voting control of each of Canso, the Manager, PBY Capital and Portfolio HiWay Inc., respectively.

Income tax considerations

The following summary fairly presents the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, for the Fund and for individuals (other than trusts) who, for the purposes of the Tax Act, are resident in Canada and hold Units of the Fund directly as capital property or in Registered Plans. This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the current published administrative practices and assessing policies of the CRA. Except for the foregoing, this summary does not take into account or anticipate any change in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

This summary is of a general nature only, is not exhaustive of all possible income tax considerations and is not intended to be legal or tax advice. We do not describe the tax rules in detail or cover all the tax consequences that may apply. Accordingly, prospective investors should consult their own tax advisors about their individual circumstances.

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

Status of the Fund

The Fund is expected to qualify as a "mutual fund trust" for the purposes of the Tax Act by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust effective from the date of its creation, although no assurances can be given in this regard. See below and "*What are the general risks of investing in a mutual* *fund? – Tax Risk"* for some of the tax consequences associated with the Fund failing to or ceasing to meet mutual fund trust status.

Taxation of the Fund

The Fund is subject to tax under Part I of the Tax Act in each taxation year on the amount of its net income, including net realized taxable capital gains, less the portion thereof that it deducts in respect of an amount that is, or is deemed to be, paid or payable to Unitholders in the year. The Fund intends to distribute to Unitholders in each taxation year a sufficient amount of its net income and net realized capital gains so that it will not be liable for tax in any year under Part I of the Tax Act after taking into account applicable losses and Capital Gains Refunds (as defined below), if any.

Where the Fund has been a "mutual fund trust" within the meaning of the Tax Act throughout a taxation year, it will be allowed for such year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on various factors, including the redemption of Units during the year (the "**Capital Gains Refund**"). In certain circumstances, the Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale of securities in connection with the redemption of Units.

The Fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the U.S. dollar, or other relevant currency, relative to the Canadian dollar, although in some cases such gains or losses may be offset by hedging transactions.

The Fund is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized.

Upon the actual or deemed disposition of a security in its portfolio, the Fund will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. In such circumstances, the Fund will realize ordinary income (or losses). The Manager has advised counsel that the Fund will purchase securities (other than derivative instruments) with the objective of earning income thereon and will take the position that gains and losses realized on the disposition of those securities are capital gains and capital losses.

Generally, the Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, such as cash-settled options, futures contracts, forward contracts, total return swaps and other derivative instruments, except where such derivatives are used to hedge investments of the Fund's capital property and there is sufficient linkage. In general, a gain or loss from short selling is treated as income rather than as a capital gain or loss; however, a gain or loss from short selling "Canadian securities" as defined in the Tax Act will be treated as a capital gain or loss.

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

The Fund 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 Fund, unless the Fund meets certain investment requirements and qualifies as an "investment fund" under the rules. A Unitholder will be a majority-interest beneficiary of the Fund 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 Fund. Each time the loss restriction rules apply, the taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its capital losses. The Fund 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 Fund in future years. The Fund's Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of the Fund for each taxation year (including a taxation year that is deemed to end by virtue of the loss restriction rules) so that the Fund will not be liable for income tax. The Fund's Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Fund, and the Units are immediately consolidated to the pre-distribution NAV.

Net capital losses and non-capital losses of the Fund 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 Fund in future taxation years in accordance with the Tax Act. In certain circumstances, the "suspended loss" rules in the Tax Act may prevent the Fund from immediately recognizing a capital loss realized by it on a disposition of capital property, which may increase the amount of net realized taxable capital gains of the Fund that will be distributed to Unitholders.

Taxation of investors

How your investment can generate income

Your investment in the Fund can generate income for tax purposes in two ways:

- **Distributions**. When the Fund earns net income from its investments or realizes a net capital gain by selling securities, it may pass these amounts on to you as a distribution.

- **Capital gains** (**or losses**). You will realize a capital gain (or loss) when you sell or switch your Units of the Fund for more (or less) than you paid for them. Generally, you will not realize a capital gain (or loss) when you change or switch your units of one series to units of another series of the Fund unless the change or switch is processed as a redemption.

The tax you pay on your mutual fund investment depends on whether you hold your Units in a non-registered account or in a Registered Plan.

Non-registered accounts

Distributions

Generally, you must include in the calculation of your income for tax purposes, the amount of any income and the taxable portion of any capital gains of the Fund that is paid or payable to you in the year (including by way of Management Fee Distributions and distributions of capital gains on redemptions of Units), whether or not such amounts are paid in cash or reinvested in additional Units. The amount of any reinvested distributions is added to your adjusted cost base ("**ACB"**) and thus reduces your capital gain or increases your capital loss when you redeem those Units, so that you do not pay tax twice on the same amount. The non-taxable portion of any capital gains that is paid or payable to you in the year is not included in your income and, provided the Fund makes the appropriate designation in its tax return, does not reduce the ACB of your Units of the Fund. Distributions from the Fund may include a return of capital. A distribution to you will generally be treated as a return of capital if distributions to you in the year exceed your share of the Fund's net income and net realized capital gains. A return of capital distribution is not included in your income for tax purposes but will reduce the ACB of your Units on which it was paid. Where net reductions to the ACB of Units would result in an ACB becoming a negative amount, such amount will be treated as a capital gain realized by you and the ACB of your Units will then be adjusted to nil.

In certain situations, where you redeem Units, the Fund may distribute realized capital gains of the Fund to you as part of the redemption price of the Units (the "**Redeemer's Gain**"). The taxable portion of the Redeemer's Gain must be included in your income as described above but the full amount of the Redeemer's Gain will be deducted from your proceeds of disposition of the Units redeemed. Certain rules in the Tax Act may restrict the ability of the Fund to distribute realized capital gains as part of the redemption price of Units to an amount not exceeding your accrued gain on the Units redeemed.

The Fund will take steps so that capital gains, Canadian dividends and foreign source income will retain their character when paid to you. Canadian 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, the Fund 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 Fund.

A consolidation of Units following a distribution which is reinvested in Units will not be regarded as a disposition of Units.

Management fees paid by you on Series O Units will not be deductible for tax purposes.

We provide you with T3 tax slips showing the amount and type of distributions (ordinary income, Canadian dividends, returns of capital, foreign income and/or capital gains) you received from the Fund.

Calculating the ACB of your investment
Your ACB must be determined separately for each series of Units you own in the Fund. The aggregate ACB of your Units in a series of the Fund is made up of:

- The amount you paid for your Units, including sales commissions, plus
- Any reinvested distributions, minus
- Any return of capital distributions, minus
- The ACB of any Units already redeemed.

The ACB of a Unit is simply the ACB of your total investment in Units of a series of the Fund divided by the total number of such Units of the series of the Fund. Your tax advisor can help you with these calculations.

Buying Units before a distribution date
At the time you acquire Units of the Fund, the NAV per Unit will reflect any income and/or capital gains that has accrued, earned or realized, but has not been made payable. If you purchase a Unit on or before the date a distribution is made, you will be taxed on that distribution even though the Fund may have earned the income or realized the gain giving rise to the distribution before you purchased the Unit and the amount of the income or gain may have been reflected in the price you paid for the Unit. That means you may have to pay tax on your proportionate share of the net income or net realized capital gains earned by the Fund for the whole year, even though you were not invested in the Fund during the whole year.

Portfolio turnover rate
The portfolio turnover rate is how often the portfolio manager or portfolio management team buys and sells securities for the Fund. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio one time in the course of a year. The higher the Fund's portfolio turnover rate, the greater the trading costs payable by the Fund in a year and the greater the chance that the Fund will have realized gains on the sale of investments, and therefore that you will receive a distribution of capital gains. Any gains realized by the Fund would be offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

Tax impact of redeeming your Units
If you redeem Units with a NAV per Unit that is greater than the ACB, you will have a capital gain, but if you redeem Units with a NAV per Unit that is less than the ACB, you will have a capital loss. You may deduct any reasonable redemption expenses in calculating your capital gains or losses.

Generally, one-half of a capital gain is included in your income and you may deduct one-half of your capital losses from your taxable capital gains, subject to certain tax rules.

You must keep a record of the price you paid for your Units, any distributions you receive and the NAV per Unit of Units redeemed or switched. This record will allow you to calculate your ACB and capital gains or capital losses when you redeem your Units.

Tax impact of switching between the Fund and the Lysander Funds or reclassifying between series of the Fund

Switching Units of the Fund for units of another Lysander Fund is considered a sale and purchase and will be treated as a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.
A reclassification of Units of one series of the Fund to Units of another series of the Fund does not generally result in a disposition and therefore will not result in a capital gain or capital loss. However, any redemption of Units to pay any applicable fees upon a switch or a reclassification of Units will be considered a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.

Registered plans

Generally, neither you nor your Registered Plan are subject to tax on distributions paid on Units held in your Registered Plan or on capital gains realized when those Units are redeemed or otherwise disposed of provided the proceeds of disposition remain in the Registered Plan. However, most withdrawals from such Registered Plans (other than a withdrawal from a tax-free savings account and certain permitted withdrawals from registered education savings plans, registered disability savings plans and first home savings accounts) are generally taxable. In which case, you will generally pay tax on the amount you withdraw at your marginal tax rate. The foregoing assumes the Units are a "qualified investment" and not a "prohibited investment" under the Tax Act for your Registered Plan.

Units of the Fund will be a qualified investment for Registered Plans at any time that the Fund qualifies or is deemed to qualify as a "mutual fund trust" for purposes of the Tax Act. In addition, pursuant to Tax Proposals announced as part of the 2025 Federal Budget, Units of the Fund will be a qualified investment for Registered Plans provided the Fund is subject to, and substantially complies with, the requirements of NI 81-102. However, even when Units of the Fund are a qualified investment, you may be subject to tax if a Unit held in your Registered Plan (other than a deferred profit sharing plan) is a prohibited investment for your Registered Plan.

Under a safe harbour rule for new mutual funds, Units of the Fund will not be a prohibited investment for your Registered Plan at any time during the first 24 months of the Fund's existence, provided the Fund is a mutual fund trust under the Tax Act during that time and is in substantial compliance with NI 81-102 or follows a reasonable policy of investment diversification.

After that time, Units of the Fund should not be a prohibited investment for your Registered Plan if you and persons with whom you do not deal at arm's length, and any trusts or partnerships in which you or persons with whom you do not deal at arm's length have an interest, do not, in total, own 10% or more of the Units of the Fund. Units of the Fund are also not a prohibited investment for your Registered Plan if they are "excluded property" under the Tax Act.

Tax information reporting

Generally, Unitholders (or in the case of certain Unitholders that are entities, the "controlling persons" thereof) will be required by law to provide their advisor or dealer with information related to their citizenship and tax residence, including their foreign taxpayer identification number, if applicable. If a Unitholder (or, if applicable, any of its controlling persons) (i) is identified as a "Specified U.S. Person" for FATCA purposes (including a U.S. resident or a U.S. citizen residing in Canada or other non-U.S. country); (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, information about the Unitholder (or, if applicable, its controlling persons) and their investment in the Fund will generally be reported to the CRA unless the Units are held within a Registered Plan. The CRA will provide that information to U.S. Internal Revenue Service (the "**IRS**") in the case of "Specified U.S. Persons" or persons who have not provided the required information and for whom indicia of U.S. status is present, and, in all other cases, 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 under CRS.

What are your legal rights?

Under securities law in some provinces and territories, you have the right to withdraw from an agreement to buy mutual funds within two business days after you receive the simplified prospectus or Fund Facts document, or cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document, or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or seek legal advice.

Exemptions and Approvals

Borrowing relief

The Fund has obtained exemptive relief from applicable securities regulatory authorities such that the Fund is permitted to borrow cash on a temporary basis in an amount that does not exceed 10% of its NAV at the time of borrowing to accommodate requests for the redemption of securities of the Fund while the Fund settles portfolio transactions initiated to satisfy such redemption requests, and to permit the Fund to settle a purchase of portfolio securities that is executed in anticipation of the settlement of an investor's purchase of securities of the Fund.

Canso inter-fund trade relief

Each Lysander-Canso Fund (including the Fund) has obtained exemptive relief from applicable securities regulatory authorities such that each Lysander-Canso Fund may purchase portfolio securities from, or sell portfolio securities to (in each instance, an "**Inter-fund Trade**"): (i) any Lysander-Canso Fund and the price at which the securities are purchased or sold at could be at the "last sale price"; (ii) any fund where Canso acts as portfolio manager that is not subject to NI 81-102 (a "**pooled fund**"); or (iii) an account managed by Canso where it has discretionary authority (a "**managed account**"), subject to certain conditions, including that the Inter-fund Trade has received the approval of the independent review committee of the applicable fund. In addition, each Lysander-Canso Fund has obtained exemptive relief from applicable securities regulatory authorities to engage in *in specie* transactions with a pooled fund or a managed account, subject to certain conditions.

Rule 144A Securities Relief

The Fund has obtained relief from certain provisions relating to purchasing and holding illiquid assets under NI 81-102 with respect to fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the "**US Securities Act**"), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to "qualified institutional buyers" (as defined in the US Securities Act). To permit the Fund to rely on this relief, certain conditions must be met including: (i) that the Fund qualifies as a "qualified institutional buyer" at the time of purchase, (ii) the securities are not illiquid assets under part (a) of the section 1.1 definition of an "illiquid asset" in NI 81-102 and (iii) the securities are traded on a mature and liquid market.

FundGrade and Lipper awards and ratings relief

The Manager has obtained exemptive relief from the Canadian securities regulatory authorities to permit 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 Funds and the Lysander *Activ*ETFs.

Certificate of the Fund, the Manager and the Promoter

Lysander-Canso Strategic Credit Fund

(the "**Fund**")

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 9th day of December, 2025

(signed) "B. Richard Usher-Jones"	*(signed) "David Steele"*
B. Richard Usher-Jones Chief Executive Officer	David Steele Chief Financial Officer

On behalf of the Board of Directors of Lysander Funds Limited,
the trustee, manager and promoter of the Fund

(signed) "Heather Mason-Wood"	*(signed) "Patrick McCalmont"*
Heather Mason-Wood Director	Patrick McCalmont Director

Specific information about Lysander-Canso Strategic Credit Fund

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

The Fund is a mutual fund. A mutual fund is a way of making collective investments. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors to a particular mutual fund.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a global equity fund buys mainly shares of global corporations, while a global balanced fund buys a mix of global equities and bonds. In each case, these securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* below for details.

What do you own?

You receive units in a mutual fund in exchange for the cash you contribute, and you become a unitholder of the mutual fund. Where a mutual fund issues more than one series, a unitholder shares in the fund's income, expenses and any gains and losses allocated to the unitholder's series, generally in proportion to the units of the series he or she owns.

Structure of the Fund

The Fund is an open-end unit trust governed by a master declaration of trust under Ontario laws. Lysander, as trustee for the Fund, holds the property and investments of the Fund in trust for the Unitholders and arranges for a professional custodian to hold the investments in safekeeping.

You can buy an unlimited number of Units of a series of the Fund.

What are the general risks of investing in a mutual fund?

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses. Like other securities, the value of a unit of an investment fund can decrease at any time for a number of reasons including those listed below.

The general risks include:

Price fluctuation
Mutual funds own different types of investments, depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units may go up and down and the value of your investment in a mutual fund may be worth more or less when you redeem it than when you purchased it.

Your investment is not guaranteed
The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Redemptions may be suspended
Under exceptional circumstances, your right to redeem your Units may be suspended. See *Suspending your right to redeem your Fund Units* on page 15 for details.

What are the specific risks of investing in the Fund?

The Fund has specific risks. In addition, as the Fund invests in underlying funds, including funds managed by the Manager or its affiliates, the Fund takes on the risks of the underlying funds. Any reference to the Fund in this section is intended to include both the Fund and an underlying fund in which the Fund invests.

Following, in alphabetical order, is a description of each of those risks to which the Fund is subject.

Active management risk
The Fund is actively managed. The Fund is dependent on its portfolio management team to select individual securities and, therefore, is subject to the risk that unfavourable security selection or market allocation will cause the Fund to underperform relative to other mutual funds with a similar investment objective or relative to its benchmark index. Active management risk may adversely affect the Fund's NAV, return, or its ability to meet its investment objective.

Concentration risk
The Fund may have investment holdings in a limited number of issuers. Investments in such fund would involve greater risk and volatility than more broadly-based investment portfolios since the performance of one particular issuer could have a greater impact on the overall performance of the Fund's portfolio.

Credit risk
Credit risk can have a negative impact on the value of a debt security, such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called **credit spread**) between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread generally decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating generally decreases the value of a debt security.
- Collateral risk, which is the risk that in the event of a default under secured debt instruments, it may be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

Currency risk
The assets and liabilities of the Fund are valued in Canadian dollars. As such, if the Fund holds a security denominated in a foreign currency, for the purposes of calculating the NAV of the Fund, we convert, on a daily basis, the value of the security into Canadian dollars. The Fund may also purchase or obtain exposure to one or more currencies for defensive purposes or to facilitate investment purchases. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund. 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, where the Fund is holding a security denominated in a foreign currency, it 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 we cannot exchange the currencies in which the Fund is invested, we may be unable to make distributions or process redemptions.

To manage the risk of foreign currency fluctuations and restrictions, the Fund may enter into forward currency hedging contracts with another party. The Fund 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 *Derivatives risk* below.

Cybersecurity risk
With the increased use of technologies such as the internet to conduct business, each of the Manager and the Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's or the Fund's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal Unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Fund. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or the Fund's systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager or the Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Fund and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Fund's third-party service providers may disrupt the business operations of the service providers and of the Manager or the Fund. These disruptions may result in financial losses, the inability of Unitholders to transact business with the Fund and inability of the Fund to process transactions, the inability of the Fund to calculate its NAV, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

Debt securities risk
Investments in debt securities are subject to certain general investment risks that are similar to equity investments. In addition to credit risk and interest rate risk, a number of other factors may cause the price of a debt security to decline. In the case of corporate debt, this could include specific developments relating to the company, as well as general financial, political and economic conditions in the country where the company operates. In the case of government debt, this could include general economic, financial and political conditions. The market value of the Fund is affected by changes in the prices of the debt securities that it holds.

Derivatives risk
Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. Some common derivatives are: (a) a futures or forward contract, which is an agreement to buy or sell currencies, commodities or securities for a set price at a specified future date; (b) an option, which gives the buyer the right, but not the obligation, to buy or sell currencies, commodities or securities at a set price within a certain time period; and (c) swaps, which allow two parties to exchange the cash flows of a wide range of financial instruments. The Fund may use derivatives to limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging. The Fund may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to financial markets or increasing speed and flexibility in making portfolio changes.

In addition to the specific risks outlined above, the use of derivatives has general risks, including:

- a hedging or non-hedging strategy may not be effective and may not achieve the intended effect;

- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when the Fund wants to buy or sell;
- there is no guarantee that the Fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to a derivative contract may not be able to meet its obligations, which could result in a financial loss for the Fund;
- a large percentage of the assets of the Fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent the Fund from selling a particular derivative contract;
- 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;
- derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada;
- 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 the Fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by the Fund may reduce the returns of the Fund;
- 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 the Fund;
- the price of a derivative may not accurately reflect the value of the underlying asset; and
- the Tax Act, or its interpretation, may change in respect of the income tax treatment of derivatives.

Environmental risk
Changes in environmental laws, regulations, and the physical impacts of climate change can negatively affect the performance of companies and, by extension, investments in those companies. Sectors particularly exposed include energy, agriculture, and insurance.

Equity risk
Investment in equity securities offers the potential for substantial capital appreciation. However, such investment also involves certain risks, including issuer, industry, market and general economic related risks. Adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by the Fund. In particular, the Fund will be sensitive to stock market volatility. Changes in stock market values can be sudden and unpredictable. Also, although stock values can rebound, there is no assurance that values will return to previous levels. Attendant equity risks and potential rewards may be greater for small companies, start ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to equity risk.

Exchange-traded fund risk
The Fund may invest in exchange-traded funds (**ETFs**) that seek to provide returns similar to an underlying benchmark such as particular market indices or industry sector indices. ETFs may not achieve the same return as their benchmark indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the fees and expenses payable by the ETF.

ETFs are traded on an exchange and as a result are subject to the following risks that do not apply to conventional mutual funds: (i) an ETF's securities often trade on the exchange at a premium or discount to the NAV of such securities; (ii) an active trading market for an ETF's securities may not develop or be maintained, and (iii) there is no assurance that the ETF will continue to meet the listing requirements of the exchange.

***Force majeure* risk**

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 can materially adversely affect the Fund's financial condition, liquidity or results of operations. A *force majeure* event can have a significant impact on the global economy and commodity and financial markets, resulting in, for example, extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices, illiquidity in the trading of securities that otherwise were liquid or even the prospect of a global recession. Such impact can materially adversely affect the operations of third parties in which the Fund has an interest, or the Fund directly.

Foreign investment risk

The Fund may invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding the Fund's investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent the Fund from taking money out of the country.

The risks of foreign investments described above apply to an even greater extent to investments in emerging markets. The securities markets of emerging countries are generally smaller, less developed, less liquid, and more volatile than developed foreign markets. Disclosure and regulatory standards may in many respects be less stringent than developed foreign markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations has been extremely limited. Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging countries. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries in which they trade. The economies of countries with emerging markets may also be predominantly based on only a few industries or dependent on revenues from particular commodities.

In many cases, governments of emerging countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the Fund's investments in those countries. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse political changes will not cause the Fund to suffer a loss of any or all of its investments in emerging markets foreign securities.

In addition, investment income received by the Fund from sources within foreign countries may be subject to foreign income tax withheld at the source. Any foreign withholding taxes could reduce the Fund's distributions paid to Unitholders. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or not the Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as Unitholder information); therefore, the Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause the Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by the Fund on the sale or disposition of certain securities to taxation in that country.

The United States House of Representatives recently passed a tax bill that, if enacted into law in its current form, may significantly increase the rate of U.S. withholding taxes borne directly or indirectly by the Fund. There can be no assurance that an increase to the rate of U.S. withholding taxes payable by or on behalf of or designated to a Unitholder will not adversely affect or limit the Unitholder's ability to claim a foreign tax credit in respect of such withholding taxes or otherwise increase the aggregate amount of tax borne by Unitholders. Unitholders should consult their own tax advisors in this regard.

Geopolitical risk
Events such as wars, political unrest, terrorism, tariff changes, import restrictions and sanctions can significantly impact global markets, specific countries, or regions. These events may lead to increased market volatility and can have adverse long term effects on the global economy and markets generally. These events can also affect investor sentiment, economic conditions, and the ability to trade certain securities.

Inflation risk
Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of any investor's money over time. Managing inflation risks involves a diversified mix of investments with emphasis on equity securities, which have historically outperformed all other types of investments over the long-term.

Interest rate risk
The Fund holds fixed income securities and, as such, its value 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 the Fund holds instruments with a negative yield (e.g. where there are negative interest rates), its value could be impaired.

Large transaction risk
If an investor in the Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of Units of the Fund, the Fund 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 Fund. A transaction could also force the Fund to terminate. The Fund may agree with an investor who has submitted a large redemption request to make part of the redemptions in-kind, by transferring assets of an equal value to the large redeeming investor, if assets of the Fund cannot be sold at prices without a significant impact to the value of the asset.

The Manager or others may offer investment products that invest all or a significant portion of their assets in the Fund. These investments may become large and could result in large transactions of Units of the Fund.

Liquidity risk
A liquid asset trades actively on an organized market, such as a stock exchange, which provides price quotations for the asset. The trading of a security or other asset in an organized active market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

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:

- the company is not well known;
- there are few outstanding shares;

- there are few potential buyers;
- there is not an active market; or
- 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 the Fund invests may be thinly traded and relatively illiquid or may cease to be traded after the Fund has invested. In such cases and in the event of extreme market activity, the Fund may not be able to liquidate its investments promptly if the need should arise. In addition, the Fund's sales of thinly traded securities could depress the market value of such securities and thereby reduce the Fund's profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss the Fund may realize.

Repurchase, reverse repurchase and securities lending risk
The Fund may engage in securities lending, repurchase and reverse repurchase transactions. Under a repurchase transaction, the Fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which the Fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date. Securities lending is an agreement whereby the Fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral.

There is the risk that the other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds.

To reduce these risks, the Fund requires the other party to each of these transactions to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the Fund's NAV. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

Series risk
Units of the Fund are offered under a "multi-series" structure where each series of Units is charged, as a separate series, the expenses attributable to that particular series. There is risk, however, that the expenses of one series may affect the value of another series when one series is unable to pay its expenses. In this case, the Fund as a whole is responsible for paying the additional expenses.

Short selling risk
A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund 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 the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund 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 the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales of a single issuer to 5% and the total market value of all securities sold short by the Fund to 20% of the NAV of the Fund. The Fund will deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

Small company risk
Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market for their securities. They generally do not have as many shares trading in the market, so it could be difficult for the Fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

Specialization risk
If the Fund invests primarily in one industry, market capitalization range or specific region or country, it may be more volatile than a less specialized fund and will be strongly affected by the overall economic performance of the area of specialization in which the Fund invests. The Fund must continue to follow its investment objectives regardless of the economic performance of the area of specialization.

Tax risk
The Fund was established in 2025 and is expected to qualify as a "mutual fund trust" for purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events"). Assuming the Fund meets these requirements before such day, the Fund will make an election to be deemed to be a mutual fund trust effective from the date of its creation. It is the Manager's intention that the conditions prescribed in the Tax Act for qualification as a mutual fund trust once met will be satisfied on a continuing basis by the Fund. It is therefore anticipated that the Fund will qualify, or be deemed to qualify, at all times as a mutual fund trust within the meaning of the Tax Act.

If the Fund fails or were to not qualify as a mutual fund trust for purposes of the Tax Act for any period of time, there could be negative tax consequences for the Fund and the Unitholders. For example, if the Fund is not a mutual fund trust for purposes of the Tax Act throughout a taxation year the Fund (i) may become liable for alternative minimum tax; (ii) may be subject to a special tax under Part XII.2 of the Tax Act; (iii) may be subject to the mark-to-market rules applicable to financial institutions under the Tax Act; and (iv) will not be entitled to the Capital Gains Refund.

For taxation years throughout which the Fund is not a mutual fund trust under the Tax Act, the Fund will be liable to a special tax under Part XII.2 of the Tax Act. Part XII.2 of the Tax Act provides that certain trusts (excluding mutual fund trusts) that have a Unitholder who is a "designated beneficiary" (which includes non-residents of Canada, certain trusts and certain tax-exempt persons) will be subject to a special tax at the rate of 40% on the trust's "designated income". "Designated income" generally includes income from a business carried on in Canada and taxable capital gains from dispositions of "taxable Canadian property". Where the Fund is subject to tax under Part XII.2, the Fund may make a designation which will result in Unitholders who are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the Fund. As a result, Part XII.2 tax will be effectively borne by the "designated beneficiaries" and all tax-exempt Unitholders while taxable Unitholders who are resident in Canada should generally achieve the same after-tax return as if the Fund were not subject to Part XII.2 tax.

In any year throughout which the Fund does not qualify as a mutual fund trust for purposes of the Tax Act, the Fund could be subject to alternative minimum tax ("**AMT**"), which is computed by reference to an adjusted taxable income amount. Recent amendments to the Tax Act broaden the base of the AMT. The amendments, inter alia, (i) increase the AMT rate from 15% to 20.5%, (ii) increase the AMT capital gains inclusion rate from 80% to 100%, (iii) disallow 50% of a number of deductions, including interest on funds borrowed to earn income from property and non-capital loss carry-forwards, and (iv) disallow 50% of most non-refundable tax credits. The Tax Act has also been amended to introduce new exclusions from the AMT regime, including an exception for a trust that meets the definition of an "investment fund" for purposes of the loss restriction event rules in the Tax Act (as described in further detail below). No assurances can be given that the Fund will meet or will continue to meet the "investment fund" definition.

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the Fund or the administrative policies and assessing practices of the CRA will not change in a manner that adversely affects the Fund or its Unitholders. Any such change could increase the amount of tax payable by the Fund, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

There can be no assurance that the CRA will agree with the tax treatment adopted by the Fund in filing its tax return. The CRA could reassess the Fund on a basis that results in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of the Fund.

If the Fund experiences a “loss restriction event”: (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund could be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries”, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interest of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all interest in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary of the Fund, and a group of persons is deemed not to become a majority-interest group of beneficiaries of the Fund, if the Fund has at all times met the “investment fund” definition for purposes of the loss restriction event rules. An “investment fund” for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a “mutual fund trust” for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. As described above, no assurance can be given that the Fund will meet or continue to meet the investment fund definition.

Technological risk
New technologies may make a product, service or company obsolete. Companies that fail to innovate or adapt may lose market share or become irrelevant, thus adversely impacting their market value and therefore the value of investments in these companies.

Underlying fund risk
If the Fund invests in another investment fund (including an ETF), the risks associated with investing in the 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 Fund takes on the risk of any investment fund in which it invests, in proportion to its investment. If an underlying investment fund suspends redemptions, the Fund may be unable to value the portion of its portfolio that is invested in such investment fund.

Investment Restrictions and Practices

The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102, that are designed, in part, to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund. The Fund is managed in accordance with these standard investment restrictions and practices. A copy of these investment restrictions and practices may be obtained from the Manager upon request.

The investment objective of the Fund is set out in this Simplified Prospectus. Any change in the fundamental investment objective of the Fund requires the approval of a majority of Unitholders at a meeting called for that purpose. We may change the Fund’s investment strategies from time to time at our sole discretion.

The Fund follows the standard investment restrictions and practices mandated by Canadian securities regulatory authorities, except to the extent the Fund may have received an exemption therefrom. Please see Exemptions and Approvals on page 25 for a description of all approvals obtained by the Fund or the Manager and exemptions from NI 81-101, NI 81-102, NI 81-105 and National Policy Statement 39, as applicable, obtained by the Fund or the Manager that continue to be relied on by the Fund or the Manager.

The Fund may hold all or a portion of its assets in cash, cash equivalents, or fixed income securities issued or guaranteed by the Canadian or U.S. governments, a government agency, or a company in anticipation of, or in response to, a market downturn, for defensive purposes, for cash management, or for the purpose of a merger or other transaction. As a result, the Fund may not be fully invested in accordance with its investment objectives at all times.

The Fund will not engage in any undertaking other than the investment of its funds in property for purposes of the Tax Act.

Description of units

General

Although the money which you and other investors pay to purchase Units of any series is tracked on a series-by-series basis in the Fund's administrative records, the assets of all series of the Fund are combined into a single pool to create one portfolio for investment purposes.

Units of a series of the Fund represent your ownership in the Fund. Each Unit of a series will entitle an investor to:

- receive a *pro rata* share of all net income and net capital gains distributions attributable to that series made by the Fund (except for Management Fee Distributions and distributions of capital gains to redeeming Unitholders);
- share *pro rata* in the net assets of that series upon the wind-up or termination of the Fund;
- vote at all meetings of the Fund (where the nature of the business to be transacted at an investor meeting concerns an issue that is relevant only to holders of a particular series of the Fund, only holders of Units of that series will be entitled to vote); and
- redeem, reclassify such Units to another series of the Fund, or switch Units of the Fund to units of another Lysander Fund, except that switches between the Fund and a U.S. Dollar Fund are not permitted, as described under *Purchases, switches and redemptions* on page 11.

Each Unit, regardless of the series, will entitle the holder to one vote at all meetings of Unitholders. Units are issued as fully paid and non-assessable. The Fund may issue fractional Units, which will entitle the holder to similar proportionate participation in the Fund but will not entitle the holder to receive notice of, or vote at, meetings of Unitholders of the Fund.

The rights and conditions attaching to the Units of each series of the Fund may be modified only in accordance with the provisions attaching to such Units and the provisions of the Declaration of Trust. A description of the series of Units offered by the Fund and the eligibility requirements attached to such series of Units is provided under *Purchases, switches and redemptions* on page 11.

Meetings of Unitholders

The Fund does not hold regular meetings. Unitholders are entitled to vote on all matters that require Unitholder approval under NI 81-102 or under the Declaration of Trust. Some of these matters are:

- for Series A Units, the introduction of a fee or expense, or a change in the basis of the calculation of a fee or expense, that is or is to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with the holding of Units of the Fund, in a way that could result in an increase in charges to the Fund or to its Unitholders, and the party charging the fee or expense is a non-arm's length party to the Fund;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the NAV per Unit of the Fund; and
- certain material reorganizations of the Fund.

Approval of these matters requires an affirmative vote of at least a majority of the Unitholders present in person or by proxy at a meeting called to consider these matters.

Name, formation and history of the Fund

The Fund is a unit trust established under the laws of Ontario on December 9, 2025. The head office of the Manager and the Fund is located at 3080 Yonge Street, Suite 4000, Toronto, Ontario M4N 3N1.

The Fund is governed by the Declaration of Trust.

Investment risk classification methodology

The investment risk level of the Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the annualized 10-year standard deviation of the returns of the Fund.

Since the Fund is new and does not have any performance history, the standard deviation of the Fund will be calculated using the return history of one or more reference indices that are expected to reasonably approximate the standard deviation of the Fund. The reference indices used for the Fund for this purpose are set out below:

Reference Index	Description
FTSE Canada All Corporate Bond Index	The FTSE Canada All Corporate Bond Index measures the performance of the Canadian corporate bond sector. It is comprised primarily of semi-annual pay fixed rate corporate bonds issued domestically in Canada.

Other types of risk, both measurable and non-measurable, may exist. It is also important to note that the 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 the Fund on an annual basis and each time a material change is made to the Fund's investment strategies and/or investment objective. We may exercise our discretion and assign the Fund a higher risk classification than indicated by the standardized risk classification methodology if the 10-year annualized standard deviation calculation results in a lower risk level than expected for the Fund, and we determined that it would be appropriate to increase the Fund's risk level to better reflect the features of the Fund based on a review of qualitative and quantitative factors.

The method that we use to identify the investment risk level of the Fund is available on request, at no cost, by calling us at 1-877-308-6979, by sending an email to manager@lysanderfunds.com or by mailing to us at 3080 Yonge Street, Suite 4000, Toronto, Ontario M4N 3N1.

Lysander-Canso Strategic Credit Fund

Fund details

Fund type	Fixed Income
Securities offered	Series A, Series F and Series O Units of a unit trust
Start date	Series A: December 9, 2025 Series F: December 9, 2025 Series O: December 9, 2025
Registered plan eligibility	Expected to be a qualified investment for registered plans
Management fee	Series A: 1.35% Series F: 0.85% Series O: Negotiated
Portfolio manager	Canso Investment Counsel Ltd. Richmond Hill, Ontario

What does the Fund invest in?

Investment objective

The Fund's objective is to seek to achieve total returns by investing primarily in fixed income securities.

The investment objective of the Fund can only be changed with the approval of a majority of the Unitholders at a meeting called for such purpose.

Investment strategies

The Fund's portfolio will primarily be invested in corporate bonds and other fixed income securities such as debentures, notes, mortgage-backed securities, asset backed securities, loans or other types of indebtedness. The Fund may also be invested in other securities such as convertible bonds, preferred or common equities or income trusts.

The Fund may invest in securities of other investment funds, including mutual funds, ETFs and non-redeemable investment funds.

The Fund may invest up to 100% of its NAV in foreign securities. The Fund may also purchase foreign currencies in the form of bank deposits.

With respect to selecting investments for the Fund, 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.

The Fund 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 Fund's portfolio. The Fund will only make these investments as permitted by Canadian securities regulatory authorities. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 29.

The Fund may also engage in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by securities regulations (please see *Short selling risk* on page 33 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities).

The Fund 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 Fund may not always be fully invested in accordance with its investment objective.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to seek to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. For a description of these transactions and how the Fund reduces the risks associated with these transactions, please see the discussion under *Repurchase, reverse repurchase and securities lending risk* on page 33.

What are the risks of investing in the Fund?

The following are the risks associated with an investment in the Fund:

- Active management risk
- Concentration risk
- Credit risk
- Currency risk

- Cybersecurity risk
- Debt securities risk
- Derivatives risk
- Environmental risk
- Equity risk
- Exchange-traded fund risk
- *Force majeure* risk
- Foreign investment risk
- Geopolitical risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Repurchase, reverse repurchase and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tax risk
- Technological risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in the Fund?* beginning on page 28.

As at November 30, 2025, the Manager held 100.0% of the issued and outstanding Units of the Fund. For a detailed description of this risk, see *Large transaction risk* on page 32.

Distribution policy

The Fund's distribution policy is to pay distributions quarterly. Distributions may include income, capital gains and/or returns of capital. The Fund may make additional distributions from time to time throughout the year at our discretion, including distributions on account of reduced management fee arrangements with certain investors such as institutional investors ("**Management Fee Distributions**"). Management Fee Distributions will be distributed on such basis as we may determine. In each taxation year the Fund will distribute to its investors a sufficient amount of the Fund's net income and net capital gains as will result in the Fund paying no ordinary income tax under Part I of the *Tax Act*. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net realized capital gains, a distribution will be paid to Unitholders at the end of the year.

All distributions by the Fund will be reinvested automatically in additional Units of the same Series of the Fund held by you at the NAV per Unit thereof, unless you provide your dealer a written request that you wish to receive distributions in cash. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the Units upon which the distributions were paid.

Lysander-Canso Strategic Credit Fund

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You can find more information about the Fund in the Fund's Fund Facts, the management report of fund performance and the financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-308-6979** or ask your dealer. These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Fund's designated website at **www.lysanderfunds.com** or **www.sedarplus.ca**.