

**Annual Management Report of Fund Performance**  
As at December 31, 2025

Lysander-Canso Corporate Treasury ActivETF



# Lysander-Canso Corporate Treasury ActivETF

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## A Note About Forward Looking Statements

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

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

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

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

## About This Report

This annual Management Report of Fund Performance of Lysander-Canso Corporate Treasury ActivETF (the “Fund”) contains financial highlights for the year ended December 31, 2025 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2025. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to Lysander Funds Limited, 3080 Yonge St., Suite 4000, Toronto, Ontario, M4N 3N1, by visiting our website at [www.lysanderfunds.com](http://www.lysanderfunds.com) or at SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

## Investment objective

The Fund seeks to provide total returns consisting principally of interest income by investing primarily in liquid short term fixed income and floating rate debt securities of Canadian and foreign issuers.

## Investment Strategies

The Fund’s portfolio manager is Canso Investment Counsel Ltd. (“Portfolio Manager” or “Canso”), a company under common control as the Manager. The Fund’s portfolio will primarily be invested in liquid short term fixed income and floating rate debt

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

## Risks

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

## Results of Operations

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

The Fund’s return for the year ended December 31, 2025 was 2.60%.

The net assets of the Fund were approximately \$23.3 million at December 31, 2025 from \$4.7 million at the beginning of the year. There were net subscriptions of approximately \$18.7 million and cash distributions of \$139.5 thousand during the year.

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

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

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## Recent Developments

During the year, markets defied expectations as trade policy disruptions, idiosyncratic credit events, and delayed U.S. economic data heightened uncertainty. Beneath the headlines, a broader theme of caution persisted, reflected in consumer confidence surveys, subdued corporate hiring intentions, and ongoing concerns surrounding tariffs, immigration, and fiscal policy. Labour markets in both the U.S. and Canada remain fragile, while core inflation continues to exceed central bank targets.

Throughout the year, the Bank of Canada (the “BoC”) reduced the overnight interest rate by 100 bps to 2.25% as trade conflicts weighed on economic activity. Employment growth slowed, influenced by lower immigration levels and the impact of U.S. tariffs on select sectors. Despite these pressures, consumer spending has remained resilient. The Canadian dollar appreciated against the U.S. dollar but remains below historical averages, which may contribute to higher import prices. The BoC has signalled that it expects to remain on hold for an extended period as monetary policy hands off to fiscal policy.

During the year, the Federal Reserve (the “Fed”) cut the upper bound of the Fed Funds Target Rate by 75 bps to 3.75%. The Fed’s stance reflected caution amid mixed economic data, including rising unemployment, even as core inflation remained above target.

The Fund maintains a sizeable position in liquid government securities, reflecting elevated credit and interest rate risks. Government securities account for 69.9% of the portfolio, while securities rated AAA/AA represent 78.6%. These higher quality, liquid holdings position the Fund to take advantage of future opportunities in the credit markets at more favourable valuations.

During the year, the Fund added the following corporate bond issues: Toronto-Dominion Bank 1.888% March 8, 2028; MetLife Global Funding I 1.95% March 20, 2028; Honda Canada Finance Inc. 1.646% February 25, 2028; Enbridge Gas Inc. 2.37% August 9, 2029; Bank of Nova Scotia 3.1% February 2, 2028; and Hydro One Inc. 3.02% April 5, 2029.

Canso’s guiding principle is to take risk only when adequately compensated, applying this discipline to both interest rate and credit exposure. At year end, the Fund’s duration was 2.3 years.

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

Effective June 30, 2025, James McGill ceased to be a member of the Fund’s Independent Review Committee (“IRC”). Effective June 30, 2025, Mary Anne Wiley was appointed as a member of the IRC.

## Related Party Transactions

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

The Fund paid \$9,951 (excluding HST) in management fees to the Manager for the year ended December 31, 2025 (December 31, 2024 - \$11,416).

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

The Manager paid \$5,622 (including HST) to the Portfolio Manager for the year ended December 31, 2025 (December 31, 2024- \$6,450)

The Independent Review Committee (“IRC”) continues to oversee transactions involving securities traded among mutual funds, closed-end funds, managed accounts, or pooled funds managed by the Manager or its affiliates. In such cases, the Manager must adhere to its written policies and procedures presented to the IRC and provide periodic reporting in accordance with National Instrument 81-107.

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## Financial Highlights

Year ended	31-Dec-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022
<b>Net assets per unit<sup>1</sup></b>				
Net assets, beginning of year	\$ 10.34	\$ 10.35	\$ 10.05	\$ 10.00*
Operations:				
Total revenue	0.14	0.12	0.12	0.04
Total expenses	(0.03)	(0.04)	(0.04)	(0.01)
Realized gains (losses)	0.28	0.42	0.14	0.02
Unrealized gains (losses)	(0.10)	(0.03)	0.22	0.03
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ 0.29</b>	<b>\$ 0.47</b>	<b>\$ 0.44</b>	<b>\$ 0.08</b>
Distributions:				
From income (excluding dividends)	\$ (0.04)	\$ (0.11)	\$ (0.05)	\$ (0.02)
From dividends	-	-	-	-
From capital gains	(0.09)	(0.36)	(0.09)	(0.01)
Return of capital	-	-	-	-
<b>Total distributions<sup>2 3</sup></b>	<b>\$ (0.13)</b>	<b>\$ (0.47)</b>	<b>\$ (0.14)</b>	<b>\$ (0.03)</b>
<b>Net assets, end of year<sup>2 3</sup></b>	<b>\$ 10.48</b>	<b>\$ 10.34</b>	<b>\$ 10.35</b>	<b>\$ 10.05</b>
<b>Ratios and supplemental data</b>				
Net asset value <sup>4</sup>	\$ 23,319,347	\$ 4,654,162	\$ 4,140,706	\$ 2,512,575
Units outstanding	2,225,000	450,000	400,000	250,000
Management expense ratio <sup>5</sup>	% 0.31	% 0.36	% 0.38	% 0.38
Management expense ratio before waivers or absorption	2.26	2.62	1.96	2.82
Portfolio turnover rate <sup>6</sup>	80.44	138.54	134.5	62.18
Trading expense ratio <sup>7</sup>	-	-	-	-
Net asset value per unit, end of year	10.48	10.34	10.35	10.05
Closing market price per unit <sup>4</sup>	\$ 10.50	\$ 10.36	\$ 10.36	\$ 10.09

### Notes

\* The Fund commenced operations on August 26, 2022.

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

2 Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were paid in cash.

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

5 The management expense ratio ("MER") is based on the total expenses of the period ended, including the Fund's proportionate share of the MER, if any, of any underlying fund in which the Fund has invested, and is expressed as an annualized percentage of daily average net asset value during the period. Effective January 1, 2025, the Fund paid a management fee of 0.20% (formerly 0.25%) per annum.

6 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.

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

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## Management Fees

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

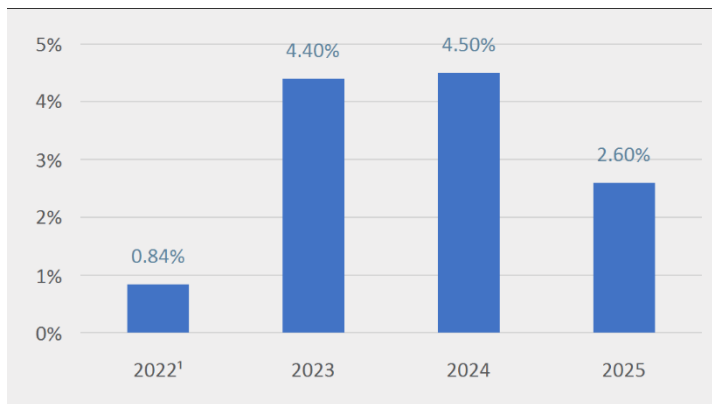
In consideration for such services, the Manager receives a management fee, based on the net asset value of the fund, calculated daily and payable monthly. Effective January 1, 2025 the Fund pays a management fee at a rate of 0.20% (formerly 0.25%) per annum.

## Past Performance

The Fund commenced operations on August 26, 2022. Accordingly, returns are shown for the relevant years/periods as indicated below. Effective January 1, 2025, the management fee changed from 0.25% to 0.20%. This change could have affected the performance of the Fund had this change been in effect throughout the performance measurement period.

The following charts and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown assumes that cash distributions made by the Fund in the periods shown were reinvested in additional units of the Fund.

## Year-by-Year Returns



<sup>1</sup> For the period August 26 to December 31

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## Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the ICE BofA 0-1 Year Canada Government Index (the "Index"). The ICE BofA 0-1 Year Canada Government Index tracks the performance of Canadian dollar-denominated sovereign debt with less than a year to maturity publicly issued by the Canadian government in its domestic market. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of CAD 1 billion. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For years ended December 31, 2025		1 Year		3 Year <sup>2</sup>		Since Inception <sup>3</sup>	
<b>Annual Compound Return</b>							
Lysander-Canso Corporate Treasury ActivETF <sup>1</sup>	%	2.60	%	3.82	%	3.68	
ICE BofA 0-1 Year Canada Government Index <sup>3</sup>	%	2.87	%	4.04	%	3.91	

### Notes

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

2 Compound period returns are annualized.

3 Period starting from August 26, 2022. Since inception returns are annualized.

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## Summary of Investment Portfolio

		% of NAV			% of NAV
<b>Top 25 Issuers</b>			<b>Asset Mix</b>		
Government of Canada	%	69.9	Cash and Cash Equivalents	%	0.3
Bank of Nova Scotia		4.8	Fixed Income		99.1
Hydron One Ltd.		4.8	Other Assets less Liabilities		0.6
Metropolitan Life Global Funding		4.8	<b>Total</b>	<b>%</b>	<b>100.0</b>
TD Bank Group		4.8	<b>Sector</b>		
Enbridge Inc.		4.7	Cash and Cash Equivalents	%	0.3
Honda Canada Finance Inc.		4.4	Consumer Discretionary		4.4
Bank of America Corp.		0.9	Financials		15.3
Cash and Cash Equivalents		0.3	Government		69.9
<b>Total</b>	<b>%</b>	<b>99.4</b>	Other Assets less Liabilities		0.6
			Utilities		9.5
			<b>Total</b>	<b>%</b>	<b>100.0</b>



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