

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

Lysander-Canso Strategic Credit Fund



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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 Strategic Credit Fund (the “Fund”) contains financial highlights for the period 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 period 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 or at SEDAR+ at www.sedarplus.ca.

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

Investment objective

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

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 incorporate 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 invest up to 100% of its assets in foreign securities. More details are contained in the Fund’s simplified prospectus.

Risks

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

Results of Operations

The Fund returns for the period from December 10 to December 31, 2025 were 0.28% for Series A, 0.31% for Series F and 0.37% for Series O.

The net assets of the Fund were approximately \$1.1 million at December 31, 2025. There were net subscriptions of approximately \$1.1 million during the period.

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

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

Recent Developments

During the period, 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

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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 period, 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 period, 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 allocation to liquid securities, including government bonds and NHA MBS securities, as both credit and interest rate risks remain elevated. These higher-quality, liquid positions provide the flexibility to capitalize on future opportunities in the credit markets as more attractive valuations emerge.

During the period, the Fund added the following corporate bond issues: Air Canada 4.625% due August 15, 2029; Cineplex Inc. 7.625% due March 31, 2029; 407 International Inc. 4.11% due October 3, 2035; Honda Canada Finance Inc. 3.539% due September 23, 2030; Hydro One Inc. 3.9% due November 21, 2033; MassMutual Global Funding II 4.127% due July 15, 2032; Metropolitan Life Global Funding I 4.149% due June 6, 2033; New York Life Global Funding 4.0% due June 17, 2032; Pacific Life Global Funding II 4.195% due July 29, 2032; and WTH Car Rental ULC 6.028% due February 20, 2027.

The Fund is positioned to take advantage of idiosyncratic credit events as opportunities arise and value is identified. Canso’s guiding principle in managing the Fund is to assume risk only when it is adequately compensated, across both interest rate and credit risk.

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 simplified prospectus.

The Fund paid \$551 (excluding HST) in management fees to the Manager for the period ended December 31, 2025.

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 \$276 (excluding HST) to the Portfolio Manager for the period ended December 31, 2025.

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

Series A*

Period ended	31-Dec-2025	
Net assets per unit¹		
Net assets, beginning of period	\$	10.00
Operations:		
Total revenue		0.01
Total expenses		(0.01)
Realized gains (losses)		-
Unrealized gains (losses)		0.03
Total increase (decrease) from operations²	\$	0.03
Distributions:		
From income (excluding dividends)	\$	(0.01)
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	(0.01)
Net assets, end of period^{2 3}	\$	10.02
Ratios and supplemental data		
Net asset value ⁴	\$	10,028
Units outstanding		1,001
Management expense ratio ⁵	%	1.66
Management expense ratio before waivers or absorption		1.66
Portfolio turnover rate ⁶		3.72
Trading expense ratio ⁷		-
Net asset value per unit, end of period	\$	10.02

Notes

* Series A commenced operations on December 10, 2025

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

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Series F*

Period ended	31-Dec-2025	
Net assets per unit¹		
Net assets, beginning of period	\$	10.00
Operations:		
Total revenue		0.01
Total expenses		(0.01)
Realized gains (losses)		-
Unrealized gains (losses)		0.03
Total increase (decrease) from operations²	\$	0.03
Distributions:		
From income (excluding dividends)	\$	-
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	0.00
Net assets, end of period^{2 3}	\$	10.03
Ratios and supplemental data		
Net asset value ⁴	\$	1,127,539
Units outstanding		112,417
Management expense ratio ⁵	%	1.20
Management expense ratio before waivers or absorption		1.20
Portfolio turnover rate ⁶		3.72
Trading expense ratio ⁷		-
Net asset value per unit, end of period	\$	10.03

Notes

* Series F commenced operations on December 10, 2025

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

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Series O*

Period ended	31-Dec-2025	
Net assets per unit¹		
Net assets, beginning of period	\$	10.00
Operations:		
Total revenue		0.01
Total expenses		-
Realized gains (losses)		-
Unrealized gains (losses)		0.03
Total increase (decrease) from operations²	\$	0.04
Distributions:		
From income (excluding dividends)	\$	(0.01)
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	(0.01)
Net assets, end of period^{2 3}	\$	10.02
Ratios and supplemental data		
Net asset value ⁴	\$	10,037
Units outstanding		1,001
Management expense ratio ⁵	%	0.33
Management expense ratio before waivers or absorption		0.33
Portfolio turnover rate ⁶		3.72
Trading expense ratio ⁷		-
Net asset value per unit, end of period	\$	10.02

Notes

* Series O commenced operations on December 10, 2025

- 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").
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash or reinvested in additional units, or both.
- This information is provided at the end of the period shown.
- The management expense ratio ("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.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.
- The trading expense ratio ("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

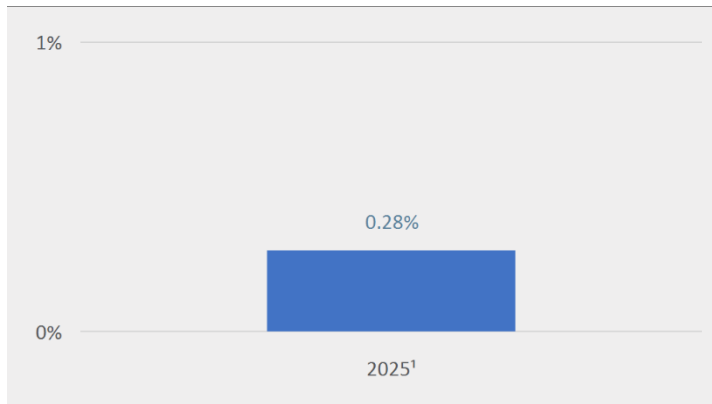
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee at a rate of 1.35% per annum for Series A units and at a rate of 0.85% per annum for Series F units. No management fee is charged to the Fund with respect to Series O units, but investors are charged a negotiated management fee.

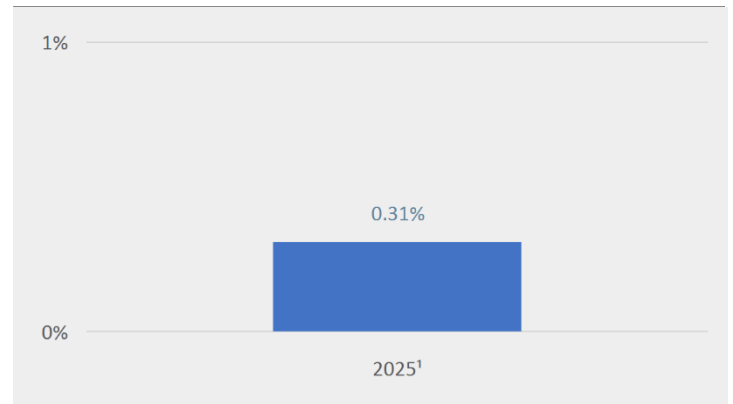
Service fees or trailing commissions of a maximum of 0.50% per annum are paid on Series A units to dealers. This comprises approximately 37% of the management fee of Series A units.

Year-by-Year Returns

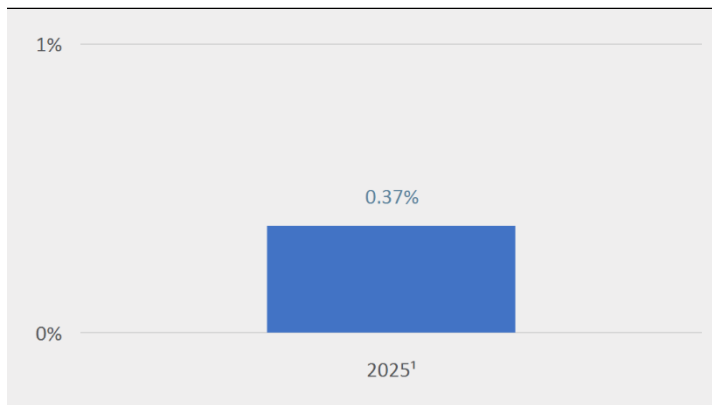
Series A



Series F



Series O



Past Performance

The Fund became a reporting issuer on December 10, 2025. Accordingly, returns are shown for the relevant period/years as indicated below.

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

¹ For the period December 10 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 FTSE Canada All Corporate Bond Index (the "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. 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 period ended December 31, 2025		Since Inception ²
Annual Compound Return		
Series A ¹	%	0.28
Series F ¹		0.31
Series O ¹		0.37
FTSE Canada All Corporate Bond Index ³	%	0.84

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 Period starting from December 10, 2025 to December 31, 2025.
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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Government of Canada	%	37.3	Canadian Fixed Income	%	56.6
CIBC World Markets		25.7	Cash and Cash Equivalents		0.1
TD Bank Group		4.9	Foreign Fixed Income		8.7
Air Canada		4.8	Mortgage Backed Securities		25.7
WTH Car Rental ULC		4.5	Other Assets less Liabilities		0.4
Metropolitan Life Global Funding		4.4	Private Placements		8.5
Royal Bank of Canada		4.3	Total	%	100.0
Honda Canada Finance Inc.		4.1	Sector		
Bank of Nova Scotia		2.6	Cash and Cash Equivalents	%	0.1
Hydron One Ltd.		1.8	Consumer Discretionary		9.5
New York Life Global Funding		1.8	Consumer Staples		0.3
Pacific Life Global Funding II		1.7	Financials		50.6
MASSMUTUAL GLOBAL FUNDIN		0.9	Government		37.3
Cineplex Inc.		0.5	Other Assets less Liabilities		0.4
407 International Inc.		0.2	Utilities		1.8
Cash and Cash Equivalents		0.1	Total	%	100.0
Total	%	99.6			



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