

Annual Management Report of Fund Performance

As at December 31, 2025

Lysander-Fulcra Corporate Securities 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-Fulcra Corporate Securities Fund (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 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 provide income and capital growth by investing in fixed income, floating rate, convertible, preferred equity, and common equity securities of corporations anywhere in the world.

Investment Strategies

The Fund’s portfolio manager is Fulcra Asset Management Inc. (“Portfolio Manager” or “Fulcra”). The Fund seeks to provide income and capital growth by primarily investing in fixed income, floating rate, convertible, preferred equity, and common equity securities of corporations primarily

headquartered in North America, with a focus on fixed income securities.

Fulcra is focused on generating absolute returns that do not replicate any particular index or competing funds in the same category.

The Fund may invest (at the time of purchase) up to 15% of its net assets in issuers based outside of North America. 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 year ended December 31, 2025 were 4.19% for Series A and 4.75% for Series F.

The net assets of the Fund were approximately \$626.4 million at December 31, 2025, from \$604.3 million at beginning of the year. There were net subscriptions of approximately \$27.8 million during the year.

During the year, Tidewater Midstream 8% bonds due 2029 were the largest positive contributor to performance, while Rite Aid Corp. 15% bonds due 2031 detracted the most. As at December 31, 2025, the Fund yielded 8.6% to maturity with an effective duration of 2.6 years.

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For context, the U.S. dollar-denominated ICE BofAML US High Yield Index (H0A0), CAD-hedged, returned 8.5% for the year and had a duration of 3.8 years at year-end. The ICE BofAML Canada Corporate Index (FOC0) returned 4.3% and had a duration of 5.6 years at year-end.

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.

Recent Developments

Credit markets were broadly constructive throughout the year. The Fund's performance—despite maintaining a duration of roughly two years—was driven primarily by cash income generation and select event-driven opportunities.

Despite President Trump's tantrum on tariffs in April, credit spreads remained relatively tight and issuance activity was robust, largely supporting refinancing needs. Market conditions often reinforced the perception that "things are fine" (i.e. systemic risk was limited), and defensive positioning tended to lag on a relative basis.

Tight spreads and ample liquidity allowed borrowers to refinance maturing obligations with ease, keeping default rates subdued. This can be the point in the cycle when many investors may become less discerning. Fulcra believes investors are not being adequately compensated for risk. When capital is abundant, distinctions between higher- and lower-quality issuers can appear muted; however, these differences typically become more pronounced when financing conditions tighten. Fulcra views this as a healthy development because mispricing is the source of opportunity. If everything is priced correctly, credit investing becomes a coupon-collection business.

As at December 31, 2025, Fulcra viewed the credit environment as characterized more by complacency than fear. In such conditions, Fulcra believes long-term investment success is driven less by aggressiveness and more by disciplined selectivity. Consistent with this view, the Fund has maintained a structurally cautious stance, emphasizing short duration, current income, and securities with meaningful downside protection rather than relying on continued favourable market sentiment.

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 \$6,238,198 (including HST) in management fees to the Manager for the year ended December 31, 2025 (December 31, 2024 - \$5,735,020).

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 \$2,947,022 (including HST) to the Portfolio Manager for the year ended December 31, 2025 (December 31, 2024 - \$2,707,348).

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

Year ended	31-Dec-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021
Net assets per unit¹					
Net assets, beginning of year	\$ 9.70	\$ 9.75	\$ 9.45	\$ 10.09	\$ 9.77
Operations:					
Total revenue	0.64	0.63	0.63	0.67	0.60
Total expenses	(0.15)	(0.15)	(0.15)	(0.16)	(0.16)
Realized gains (losses)	0.18	(0.35)	0.05	(0.28)	0.16
Unrealized gains (losses)	(0.27)	0.28	0.24	(0.44)	0.28
Total increase (decrease) from operations²	\$ 0.40	\$ 0.41	\$ 0.77	\$ (0.21)	\$ 0.88
Distributions:					
From income (excluding dividends)	\$ (0.47)	\$ (0.46)	\$ (0.47)	\$ (0.43)	\$ (0.40)
From dividends	(0.02)	-	(0.01)	(0.01)	(0.02)
From capital gains	-	-	-	-	(0.31)
Total distributions^{2 3}	\$ (0.49)	\$ (0.46)	\$ (0.48)	\$ (0.44)	\$ (0.73)
Net assets, end of year^{2 3}	\$ 9.61	\$ 9.70	\$ 9.75	\$ 9.45	\$ 10.09

Ratios and supplemental data					
Net asset value ⁴	\$ 60,439,061	\$ 58,994,231	\$ 47,978,277	\$ 33,887,026	\$ 30,386,349
Units outstanding	6,286,956	6,079,282	4,921,807	3,586,472	3,010,987
Management expense ratio ⁵	% 1.53	% 1.55	% 1.55	% 1.57	% 1.58
Management expense ratio before waivers or absorption	1.53	1.55	1.55	1.57	1.58
Portfolio turnover rate ⁶	102.7	129.1	86.3	66.9	99.6
Trading expense ratio ⁷	0.01	0.01	-	-	0.01
Net asset value per unit, end of year	\$ 9.61	\$ 9.70	\$ 9.75	\$ 9.45	\$ 10.09

Notes

- 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

Year ended	31-Dec-2025	31-Dec-2024	31-Dec-2023	31-Dec-2022	31-Dec-2021
Net assets per unit¹					
Net assets, beginning of year	\$ 9.67	\$ 9.71	\$ 9.40	\$ 10.10	\$ 9.76
Operations:					
Total revenue	0.63	0.64	0.62	0.67	0.60
Total expenses	(0.10)	(0.10)	(0.10)	(0.11)	(0.11)
Realized gains (losses)	0.18	(0.36)	0.06	(0.28)	0.18
Unrealized gains (losses)	(0.26)	0.29	0.24	(0.45)	0.30
Total increase (decrease) from operations²	\$ 0.45	\$ 0.47	\$ 0.82	\$ (0.17)	\$ 0.97
Distributions:					
From income (excluding dividends)	\$ (0.51)	\$ (0.51)	\$ (0.50)	\$ (0.54)	\$ (0.44)
From dividends	(0.03)	-	(0.01)	(0.01)	(0.02)
From capital gains	-	-	-	-	(0.30)
Total distributions^{2 3}	\$ (0.54)	\$ (0.51)	\$ (0.51)	\$ (0.55)	\$ (0.76)
Net assets, end of year^{2 3}	\$ 9.59	\$ 9.67	\$ 9.71	\$ 9.40	\$ 10.10

Ratios and supplemental data					
Net asset value ⁴	\$ 565,964,170	\$ 545,328,202	\$ 406,366,096	\$ 229,641,268	\$ 146,306,741
Units outstanding	59,034,288	56,366,816	41,844,255	24,428,249	14,481,867
Management expense ratio ⁵	% 1.01	% 1.01	% 1.01	% 1.04	% 1.04
Management expense ratio before waivers or absorption	1.01	1.01	1.01	1.04	1.04
Portfolio turnover rate ⁶	102.7	129.1	86.3	66.9	99.6
Trading expense ratio ⁷	0.01	0.01	-	-	0.01
Net asset value per unit, end of year	\$ 9.59	\$ 9.67	\$ 9.71	\$ 9.40	\$ 10.10

Notes

- 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.
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- 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

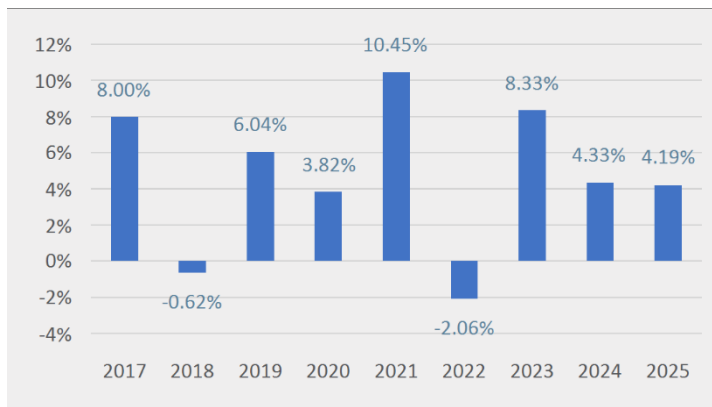
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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.

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

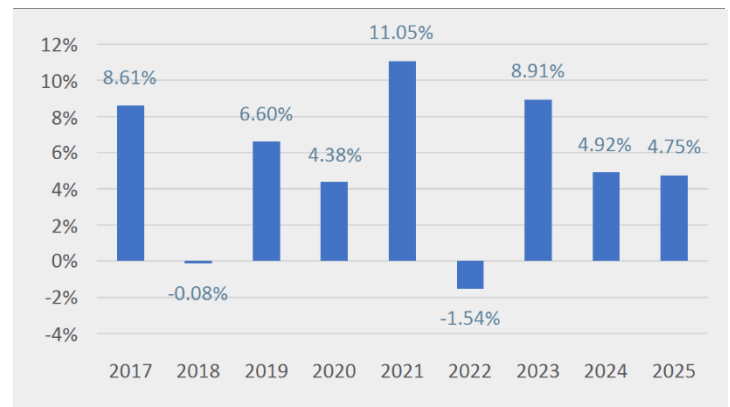


Past Performance

The commencement of operations as a reporting issuer for Series A and F was December 30, 2016. 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.

Series F



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Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the Fund's index ("Index") which is 10% S&P/TSX Composite Total Return Index, 30% FTSE Canada All Corporate Bond Index and 60% ICE BofA US High Yield Master II Index. The S&P/TSX Composite Total Return Index is a broad economic sector index comprising approximately 95% of the market capitalization for Canadian-based, TSX listed companies. 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 ICE BofA US High Yield Master II Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. 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 ²		5 Year ²		Since Inception ^{2 3}
Annual Compound Return								
Series A ¹	%	4.19	%	5.60	%	4.96	%	4.65
Series F ¹		4.75		6.18		5.53		5.21
Index ^{4 5 6}	%	9.61	%	11.51	%	6.34	%	5.85

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 December 30, 2016. Since inception returns are annualized.
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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Government of Canada	%	12.7	Bank Loans	%	10.6
Cash and Cash Equivalents		5.3	Canadian Equities		0.2
Getty Images Inc.		4.1	Canadian Fixed Income		42.6
Government of USA		3.6	Cash and Cash Equivalents		5.3
Dye & Durham Ltd.		3.5	Foreign Bank Loans		3.6
SUNOCO LP		3.5	Foreign Equities		0.3
Rogers Communications Inc.		3.5	Foreign Fixed Income		34.7
EG Global Finance PLC		3.2	Mutual Funds		0.9
Premium Brands Holdings Corp.		2.8	Other Assets Less Liabilities		0.9
New Flyer Industries Inc.		2.4	Preferred Shares		0.9
Wildbrain Ltd.		2.3	Total	%	100.0
Venture Global LNG, Inc.		2.3	Sector		
Tamarack Valley Energy Ltd.		2.3	Cash and Cash Equivalents	%	5.3
Wolfspeed Inc.		2.0	Communication Services		18.2
The Hertz Corp.		1.9	Consumer Discretionary		8.0
Nuvista Energy Ltd.		1.9	Consumer Staples		8.3
Corus Entertainment		1.7	Energy		18.5
CNG Holdings Inc.		1.7	Financials		4.0
Enova International Inc.		1.7	Government		16.3
Suncor Energy Inc.		1.7	Health Care		1.9
Seaspan Corp.		1.7	Industrials		5.3
North American Construction		1.6	Information Technology		7.8
Tidewater Midstream and Infrastructure Ltd.		1.5	Materials		3.8
EW SCRIPPS CO		1.5	Other Assets less Liabilities		0.9
JELD-WEN INC		1.4	Other Funds		0.9
Total	%	71.8	Utilities		0.8
			Total	%	100.0



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