

Annual Management Report of Fund Performance

As at December 31, 2025

Lysander-Pembroke U.S. Small-Mid Cap 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-Pembroke U.S. Small-Mid Cap 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 provide long-term growth through capital appreciation by investing primarily in equity securities of a concentrated number of small to mid-sized U.S. companies judged to have above average growth potential or to be undervalued.

Investment Strategies

The Fund’s portfolio manager is Pembroke Management Ltd. (“Portfolio Manager” or “Pembroke”). The Fund’s portfolio is primarily invested in small to mid-sized U.S. companies that are listed on a U.S. stock exchange. The Fund will not be leveraged.

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 January 31 to December 31, 2025 were -12.36% for Series A and -11.43% for Series F.

The Fund’s benchmark, the S&P 600 Total Return Index (“Index”), declined by 2.82% for the same period.

The net assets of the Fund were approximately \$1.5 million at December 31, 2025. There were net subscriptions of approximately \$1.6 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.

The Fund is intentionally more concentrated than the Index and maintains industry exposures that differ meaningfully from those of the benchmark. By investing in a select group of

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high-quality growth companies, Pembroke aims to deliver superior long-term, risk-adjusted returns, while recognizing that short-term relative performance may vary—sometimes significantly—in either direction.

During the period, the Fund underperformed its benchmark, with most of the relative performance difference attributable to security selection rather than sector allocation. Sector positioning contributed positively overall—particularly through underweights in certain benchmark sectors—but these benefits were outweighed by weaker relative performance among individual holdings, most notably within information technology and industrials. These sectors represented meaningful active positions and lagged their benchmark counterparts, weighing on overall results. Other areas, including consumer discretionary and financials, generated positive relative contributions, though not enough to offset the impact of weaker-performing holdings in the Fund’s larger active exposures.

Allocation decisions were generally additive, reflecting deliberate differences in sector exposure versus the benchmark. However, stock selection was the dominant driver of relative underperformance, underscoring the varied outcomes across sectors and the importance of individual security performance within the Fund’s active positions.

Two holdings were significant contributors to performance. Resideo Technologies (“Resideo”), a supplier of residential comfort, security, and control solutions, delivered strong absolute performance despite notable volatility. Early-period weakness reflected concerns around tariffs, Mexican manufacturing exposure, legacy environmental liabilities, and the perceived complexity of its two-business structure. As these risks failed to materialize and management announced plans to separate the Products and Solutions segment from the ADI distribution business, investor sentiment improved sharply, driving a meaningful re-rating. Although a modest guidance reduction later in the period caused another pullback, Resideo finished the period well above its starting level, reflecting both heightened sensitivity to expectations and renewed confidence in the durability of the business. Installed Building Products (“IBP”), a U.S. installer and distributor of construction products, also contributed positively. Its share price reflected a balance between resilient company execution and a mixed housing backdrop. While investors focused on softer volumes and expectations for year-over-year earnings pressure amid higher interest rates and affordability constraints, IBP continued to demonstrate strong underlying earnings power through disciplined margin management, ongoing tuck-in acquisitions, and increased capital returns via share repurchases. As U.S. mortgage rates declined and political rhetoric supported housing-related sentiment, investors grew more optimistic about IBP’s future prospects.

Two holdings were significant detractors. Vertex, a provider of indirect tax software, declined primarily due to reduced near-term growth visibility. Mid-period, management lowered its full-period outlook, citing extended sales cycles and delayed customer decision-making. Investors interpreted this as evidence of a softer demand environment. Later in the period, additional headwinds—including customer bankruptcies, legacy platform migrations, and timing issues related to system shutdowns—further pressured sentiment. Despite continued double-digit revenue growth and strong cloud adoption, reduced visibility and retention-related concerns weighed on the shares. Cellebrite, a provider of digital forensics software for law enforcement and government agencies, also detracted. The decline reflected broader investor skepticism toward certain software businesses rather than a company-specific issue. Concerns centered on the potential impact of artificial intelligence on software business models, including whether AI could reduce barriers to entry, compress pricing, or weaken the durability of specialized solutions. Additionally, Cellebrite’s significant exposure to government customers weighed on sentiment amid uncertainty around public-sector budgets and procurement timing. These factors contributed to share price weakness despite ongoing demand for digital evidence solutions.

Recent Developments

Looking ahead, the Fund remains positioned toward companies with strong balance sheets, attractive growth profiles, and disciplined valuations, while maintaining broad industry diversification. Pembroke believes that a more favourable interest rate and inflation backdrop—combined with ongoing productivity gains and onshoring trends—may provide a supportive environment for U.S. equities. While market leadership has been narrow in recent years, conditions may become more conducive to a broader range of companies as the cycle evolves.

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

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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 \$11,167 (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 \$5,534 (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		0.03
Total expenses		(0.21)
Realized gains (losses)		(0.52)
Unrealized gains (losses)		0.11
Total increase (decrease) from operations²	\$	(0.59)
Distributions:		
From income (excluding dividends)	\$	-
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	-
Net assets, end of period^{2 3}	\$	8.76
Ratios and supplemental data		
Net asset value ⁴	\$	14,625
Units outstanding		1,669
Management expense ratio ⁵	%	2.42
Management expense ratio before waivers or absorption		4.98
Portfolio turnover rate ⁶		0.08
Trading expense ratio ⁷		0.11
Net asset value per unit, end of period	\$	8.76

Notes

* Series A commenced operations on January 31, 2025

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 or reinvested in additional units, or both.

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.

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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Series F*

Period ended	31-Dec-2025	
Net assets per unit¹		
Net assets, beginning of period	\$	10.00
Operations:		
Total revenue		0.03
Total expenses		(0.12)
Realized gains (losses)		(0.53)
Unrealized gains (losses)		(0.14)
Total increase (decrease) from operations²	\$	(0.76)
Distributions:		
From income (excluding dividends)	\$	-
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	-
Net assets, end of period^{2 3}	\$	8.86
Ratios and supplemental data		
Net asset value ⁴	\$	1,463,407
Units outstanding		165,222
Management expense ratio ⁵	%	1.26
Management expense ratio before waivers or absorption		3.75
Portfolio turnover rate ⁶		0.08
Trading expense ratio ⁷		0.11
Net asset value per unit, end of period	\$	8.86

Notes

* Series F commenced operations on January 31, 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

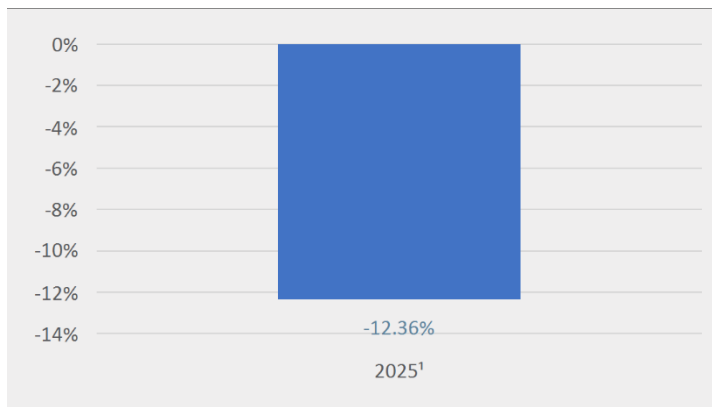
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

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 2.00% per annum for Series A units and at a rate of 1.00% per annum for Series F units.

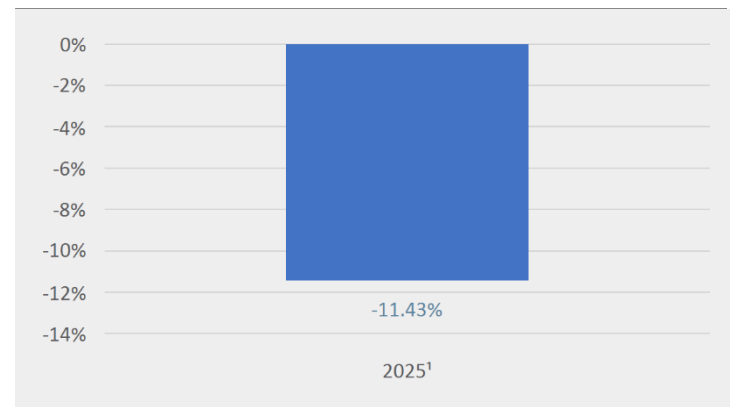
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 50% of the management fee of Series A units.

Year-by-Year Returns

Series A



Series F



Past Performance

The Fund became a reporting issuer on January 31, 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 January 31 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 S&P SmallCap 600 Total Return (CAD) Index (the "Index"). The S&P SmallCap 600 Total Return (CAD) Index seeks to measure the small-cap segment of the U.S. equity market. The Index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. 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	%	(12.36)
Series F ¹		(11.43)
S&P SmallCap 600 Total Return (CAD) Index ³	%	(2.82)

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 January 31, 2025 to December 31, 2025.

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Summary of Investment Portfolio

		% of NAV
Top 25 Issuers		
Resideo Technologies Inc.	%	7.8
Cash and Cash Equivalents		7.6
Monolithic Power Systems Inc.		7.5
Core & Main Inc.		7.3
AAON Inc.		6.6
Federal Signal Corporation		6.3
Workiva Inc		6.3
Globus Medical Inc.		6.0
Pure Storage Inc.		5.9
SiteOne Landscape Supply Inc.		4.7
Hagerty Inc.		4.6
Modine Manufacturing Co		4.4
Installed Building Products Inc.		4.1
Bio-Techne Corporation		3.8
Stevanato Group		3.7
Manhattan Associates Inc		3.6
Q2 Holdings Inc.		3.3
Watsco Inc.		1.9
Vertex Inc.		1.8
Louisiana-Pacific Corp		1.8
Total	%	99.0

		% of NAV
Asset Mix		
Cash and Cash Equivalents	%	7.6
Other Assets less Liabilities		1.0
US Equities		91.4
Total	%	100.0
Sector		
Cash and Cash Equivalents	%	7.6
Communication Services		3.3
Consumer Discretionary		25.9
Financials		4.6
Health Care		13.4
Industrials		19.1
Information Technology		25.1
Other Assets less Liabilities		1.0
Total	%	100.0



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