

Lysander-Canso Equity Fund

As at June 30, 2026

Semi-Annual Management Report of Fund Performance



This semi-annual Management Report of Fund Performance of Lysander-Canso Equity Fund (the "Fund") contains financial highlights for the period ended June 30, 2026 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the semi-annual financial statements of the Fund for the period ended June 30, 2026. 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.

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A Note About Forward Looking Statements

This semi-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.

Investment Objective

The Fund’s objective is to provide long-term capital growth by investing primarily in equity securities of companies anywhere in the world.

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 invests primarily in equity securities of small, medium and large companies. The Fund may also hold cash and fixed income securities. The Fund will not be constrained by geographic or sector considerations and could be substantially exposed to equity securities of issuers not in developed markets.

Canso tends to take a “bottom up” approach to portfolio construction, focusing on security selection. The Portfolio Manager selects securities based on its independent, proprietary research and valuation of individual companies.

The Fund may invest in debt securities convertible into common stock, fixed income securities of governments, government agencies, supranational agencies, companies, trusts, limited partnerships and other funds including ETFs. The Fund will not be leveraged. The Fund may invest up to 100% of its net assets in foreign 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 objectives. 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

During the period, 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 returns for the period ended June 30, 2026 were 19.86% for Series A, 20.52% for Series F and 21.08% for Series O.

The net assets of the Fund were approximately \$21.5 million at June 30, 2026 from \$19.2 million at the beginning of the period. There were net redemptions of \$1.4 million during the period.

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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, global markets were defined by a striking disconnect between resilient risk assets and a volatile macroeconomic backdrop. Despite geopolitical tensions in the Middle East, persistent inflation, and a shifting narrative toward higher rates, both credit and equity markets remained remarkably resilient, as demonstrated by tight credit spreads, massive debt issuance, and blockbuster IPOs. Historically tight credit spreads appear increasingly at odds with interest rate volatility, persistent inflation, and growing late-cycle pressures. While fundamentals remain strong across select industries, others are beginning to weaken as economic headwinds build.

Throughout the period, the Bank of Canada (the "BoC") held overnight interest rates at 2.25%. The BoC has continuously highlighted weak economic activity in Canada and ongoing uncertainty surrounding U.S. trade policy. The BoC has also clearly signalled that it will remain on hold for an extended period as monetary policy passes the baton to fiscal policy.

During the period, the Federal Reserve (the "Fed") held the upper bound of the Fed Funds Target Rate at a level of 3.75%. Newly appointed Fed Chair Kevin Warsh reaffirmed the Fed's dual mandate and emphasized the committee's goal of restoring price stability. Markets interpreted the messaging as hawkish, with additional rate hikes in the second half of the year now fully reflected in U.S. swap market pricing.

During the period, the Fund added new positions in Ubisoft Entertainment and Unilever PLC. Purchases were funded through reductions in BT Group, Delta Airlines, and Hertz.

The top three securities that contributed to the Fund's performance over the period were: Bird Construction, Intel Corp., and Cenovus Energy Inc.

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.

There were no changes to the membership of the Fund's Independent Review Committee ("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 \$92,791 (including HST) in management fees to the Manager for the period ended June 30, 2026 (June 30, 2025 - \$78,491).

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 \$44,148 (including HST) to the Portfolio Manager for the period ended June 30, 2026 (June 30, 2025 - \$36,540).

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.

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.

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In consideration for such services, the Manager receives a 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 1.80% per annum for Series A units and at a rate of 0.80% 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 1.00% per annum were paid on Series A units to dealers. This comprises approximately 55.6% of the management fee of Series A units.

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Financial Highlights

Series A

Period ended	June 30, 2026	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Net assets per unit¹						
Net assets, beginning of period	\$ 15.30	\$ 14.92	\$ 13.37	\$ 11.75	\$ 15.60	\$ 12.03
Operations:						
Total revenue	0.41	0.33	0.29	0.28	0.38	0.24
Total expenses	(0.18)	(0.34)	(0.32)	(0.28)	(0.32)	(0.36)
Realized gains (losses)	0.80	1.40	1.64	0.19	9.08	2.24
Unrealized gains (losses)	1.98	0.42	1.27	1.25	(10.82)	3.44
Total increase (decrease) from operations²	\$ 3.01	\$ 1.81	\$ 2.88	\$ 1.44	\$ (1.68)	\$ 5.56
Distributions:						
From income (excluding dividends)	-	(0.01)	-	-	-	-
From dividends	-	(0.18)	(0.08)	(0.07)	(0.25)	-
From capital gains	-	(1.21)	(1.27)	(0.10)	(2.57)	(2.65)
Total distributions^{2 3}	\$ -	\$ (1.40)	\$ (1.35)	\$ (0.17)	\$ (2.82)	\$ (2.65)
Net assets, end of period^{2 3}	\$ 18.34	\$ 15.30	\$ 14.92	\$ 13.37	\$ 11.75	\$ 15.60

Series F

Period ended	June 30, 2026	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Net assets per unit¹						
Net assets, beginning of period	\$ 17.66	\$ 16.95	\$ 15.05	\$ 13.23	\$ 16.51	\$ 12.64
Operations:						
Total revenue	0.47	0.40	0.35	0.33	0.39	0.25
Total expenses	(0.10)	(0.19)	(0.18)	(0.15)	(0.17)	(0.20)
Realized gains (losses)	0.96	1.66	1.85	0.24	2.52	2.41
Unrealized gains (losses)	2.31	0.34	1.41	1.67	(3.51)	3.87
Total increase (decrease) from operations²	\$ 3.64	\$ 2.21	\$ 3.43	\$ 2.09	\$ (0.78)	\$ 6.33
Distributions:						
From income (excluding dividends)	-	(0.01)	-	-	-	-
From dividends	-	(0.20)	(0.09)	(0.16)	(0.21)	(0.06)
From capital gains	-	(1.31)	(1.49)	(0.21)	(2.15)	(2.41)
Total distributions^{2 3}	\$ -	\$ (1.52)	\$ (1.58)	\$ (0.37)	\$ (2.36)	\$ (2.47)
Net assets, end of period^{2 3}	\$ 21.29	\$ 17.66	\$ 16.95	\$ 15.05	\$ 13.23	\$ 16.51

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Series O*

Period ended	June 30, 2026	December 31, 2025
Net assets per unit¹		
Net assets, beginning of period	\$ 10.38	\$ 10.00
Operations:		
Total revenue	0.26	0.23
Total expenses	(0.01)	(0.02)
Realized gains (losses)	0.66	1.01
Unrealized gains (losses)	1.31	0.35
Total increase (decrease) from operations²	\$ 2.22	\$ 1.57
Distributions:		
From income (excluding dividends)	-	(0.01)
From dividends	-	(0.15)
From capital gains	-	(0.98)
Total distributions^{2 3}	\$ -	\$ (1.14)
Net assets, end of period^{2 3}	\$ 12.56	\$ 10.38

* Series O commenced operations on February 3, 2025.

1) The information is derived from the Fund's unaudited semi-annual and/or 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.

Ratios and Supplemental Data

Series A

Period ended	June 30, 2026	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Ratios and supplemental data						
Net asset value ⁴	\$ 1,148,542	\$ 853,598	\$ 1,043,658	\$ 916,659	\$ 420,805	\$ 227,422
Units outstanding	62,628	55,791	69,953	68,569	35,828	14,578
Management expense ratio ⁵	2.13%	2.13%	2.13%	2.13%	2.13%	2.13%
Management expense ratio before waivers or absorption	2.19%	2.20%	2.23%	2.26%	2.38%	2.32%
Portfolio turnover rate ⁶	37.7%	23.7%	40.9%	36.5%	29.6%	5.1%
Trading expense ratio ⁷	0.03%	0.02%	0.02%	0.01%	0.05%	0.03%
Net asset value per unit, end of period	18.34	15.30	14.92	13.37	11.75	15.60

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Series F

Period ended	June 30, 2026	December 31, 2025	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Ratios and supplemental data						
Net asset value ⁴	\$ 20,090,417	\$ 18,023,870	\$ 15,950,212	\$ 14,008,541	\$ 10,623,832	\$ 13,790,627
Units outstanding	943,719	1,020,367	941,087	930,837	803,162	835,147
Management expense ratio ⁵	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Management expense ratio before waivers or absorption	1.06%	1.11%	1.16%	1.12%	1.23%	1.18%
Portfolio turnover rate ⁶	37.7%	23.7%	40.9%	36.5%	29.6%	5.1%
Trading expense ratio ⁷	0.03%	0.02%	0.02%	0.01%	0.05%	0.03%
Net asset value per unit, end of period	21.29	17.66	16.95	15.05	13.23	16.51

Series O*

Period ended	June 30, 2026	December 31, 2025
Ratios and supplemental data		
Net asset value ⁴	\$ 304,845	\$ 370,155
Units outstanding	24,267	35,676
Management expense ratio ⁵	0.10%	0.11%
Management expense ratio before waivers or absorption	0.16%	0.22%
Portfolio turnover rate ⁶	37.7%	23.7%
Trading expense ratio ⁷	0.03%	0.02%
Net asset value per unit, end of period	12.56	10.38

* Series O commenced operations on February 3, 2025.

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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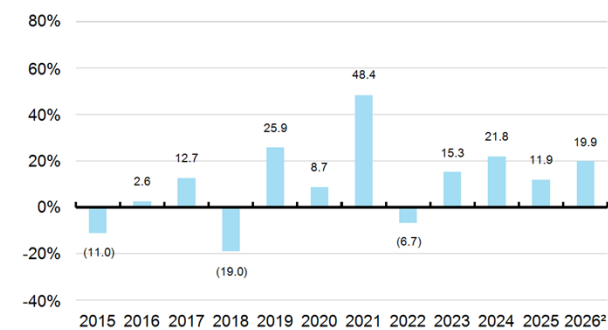
Past Performance

The Fund commenced operations on September 18, 2013. Accordingly, returns are shown for the relevant period/years as indicated below. Effective January 1, 2020, the management fee for Series A changed from 2.00% to 1.80% and Series F changed from 1.00% to 0.80%. This change could have affected the performance of the Fund had this change been in effect throughout the performance measurement period.

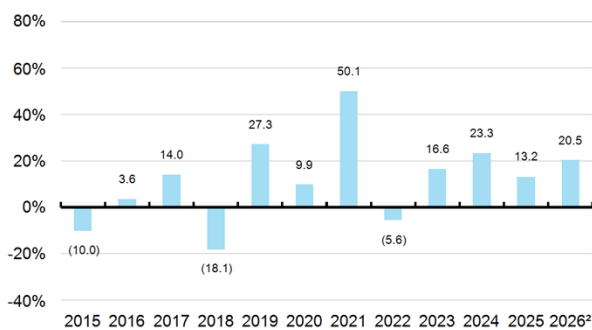
The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily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

Year-by-Year Returns

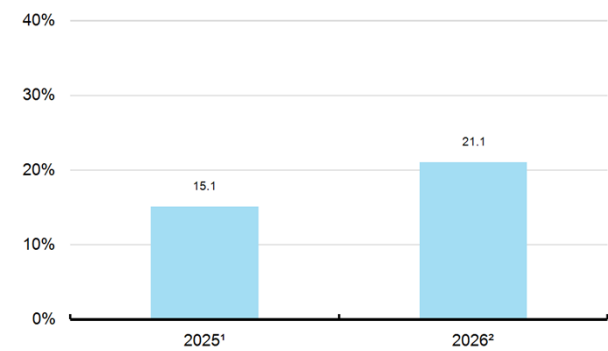
Series A



Series F



Series O



1) For the period February 3 to December 31
2) For the period January 1 to June 30

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Summary of Investment Portfolio

Top 25 Issuers

	% of NAV
Government of Canada (Debt)	16.0
Bird Construction Inc.	9.0
Intel Corp.	5.4
Manulife Financial Corp.	4.8
Air Canada	4.8
Cenovus Energy Inc.	4.6
BT Group PLC	3.8
Match Group Inc.	3.8
Boeing Co.	3.7
BCE Inc.	3.6
Linamar Corp.	3.5
Starbucks Corp.	3.0
Cineplex Inc.	3.0
Apple Inc.	2.7
Magna International Inc.	2.6
Albertsons Companies Inc.	2.2
CAE Inc.	1.9
Unilever PLC	1.9
McCormick & Co Inc/MD	1.9
Meta Platforms Inc.	1.9
Enbridge Inc.	1.8
Ubisoft Entertainment SA	1.7
WPP PLC	1.6
Ovintiv Inc.	1.6
AtkinsRealis Group Inc.	1.5
Total	92.3

Asset Mix

	% of NAV
Asian Equities	1.3
Canadian Equities	45.8
Canadian Fixed Income	16.0
Cash and Cash Equivalents	0.7
European Equities	10.5
Other Assets Less Liabilities	0.1
US Equities	25.6
Total	100.0

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Sector Allocation

	% of NAV
Cash and Cash Equivalents	0.7%
Communication Services	21.6%
Consumer Discretionary	10.2%
Consumer Staples	7.5%
Energy	8.1%
Financials	4.8%
Government	16.0%
Industrials	20.9%
Information Technology	8.1%
Materials	2.0%
Other Assets Less Liabilities	0.1%
Total	100.0%



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