Lysander-Slater Preferred Share Dividend Fund

As at June 30, 2026

Semi-Annual Management Report of Fund Performance

This semi-annual Management Report of Fund Performance of Lysander-Slater Preferred Share Dividend 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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Semi-Annual Management Report of Fund Performance as at June 30, 2026

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 seek to generate income while preserving investor capital by investing primarily in preferred securities of Canadian issuers that are listed on a Canadian stock exchange.

Investment Strategies

The Fund’s portfolio manager is Slater Asset Management Inc. (“Portfolio Manager” or “Slater”). The Fund’s portfolio is primarily invested in preferred shares of Canadian issuers listed in Canada, using fundamental and credit research. The Fund will not be leveraged. The Fund may invest (at the time of purchase) up to 30% 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 ended June 30, 2026 were 2.62% for Series A and 2.91% for Series F.

The net assets of the Fund were approximately $129.3 million at June 30, 2026 from $113.6 million at the beginning of the period. There were net subscriptions of $15.3 million during the period.

The Canadian Preferred Share market finished higher in the period, with the S&P/TSX Preferred Share Total Return Index up 4.39% on a total return basis.

Market conditions improved through the period as geopolitical tensions eased and crude oil prices retraced earlier spikes. The Canadian 5 year bond yield moved from 2.92% at the beginning of the year to 3.0% at the end of June, a level we view as supportive for Preferred Share valuations. Straight perpetuals yielded approximately 5.5%–5.7%, while fixed rate resets yielded 5.7%–5.9% at the end of the June on average.

Redemption activity remained steady, with five issues redeemed across the period. Two new Preferred Share issues came to market in Q2 (GWO.PF.A & BEP.PR.S), and the Fund participated. LRCN issuance was also active, highlighted by TD’s $1 billion offering and National Bank’s $600 million deal, the latter of which the Fund participated in.

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

The Bank of Canada held its overnight rate at 2.25%, while the U.S. Federal Reserve maintained its target range at 3.50%–3.75%. We continue to see attractive relative value in Preferred Shares compared to other areas of fixed income, which in our opinion should support further spread compression if broader conditions remain stable.

If the 5-year bond yield remains within the 3.0% range, Preferred Shares should continue to look attractive on a relative basis as we continue in this higher interest rate cycle. The Fund remains defensively positioned and continued participation in high-quality OTC $1,000-par Preferred Shares and LRCNs of an approximate combined weighting of 50%.

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 $583,460 (including HST) in management fees to the Manager for the period ended June 30, 2026 (June 30, 2025 - $388,561).

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 $264,644 (including HST) to the Portfolio Manager for the period ended June 30, 2026 (June 30, 2025 - $175,664).

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.

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 1.25% per annum for Series A units and at a rate of 0.75 % 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 40% of the management fee of Series A units.

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 unit[1]												
Net assets, beginning of period	$	9.57	$	9.16	$	7.80	$	7.57	$	9.67	$	7.84
Operations:												
Total revenue		0.33		0.52		0.48		0.44		0.42		0.42
Total expenses		(0.07)		(0.14)		(0.13)		(0.12)		(0.13)		(0.14)
Realized gains (losses)		0.07		0.43		0.62		(0.97)		(0.32)		1.08
Unrealized gains (losses)		(0.08)		0.04		0.81		1.20		(1.77)		0.84
Total increase (decrease) from operations[2]	**$**	**0.25**	**$**	**0.85**	**$**	**1.78**	**$**	**0.55**	**$**	**(1.80)**	**$**	**2.20**
Distributions:												
From income (excluding dividends)		-		(0.01)		(0.04)		(0.01)		-		-
From dividends		(0.19)		(0.34)		(0.33)		(0.33)		(0.30)		(0.24)
From capital gains		-		-		-		-		-		-
Return of capital		-		(0.08)		(0.05)		-		-		(0.08)
Total distributions[2] [3]	**$**	**(0.19)**	**$**	**(0.43)**	**$**	**(0.42)**	**$**	**(0.34)**	**$**	**(0.30)**	**$**	**(0.32)**
Net assets, end of period[2] [3]	**$**	**9.59**	**$**	**9.57**	**$**	**9.16**	**$**	**7.80**	**$**	**7.57**	**$**	**9.67**

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 unit[1]												
Net assets, beginning of period	$	9.82	$	9.36	$	7.95	$	7.70	$	9.80	$	7.92
Operations:												
Total revenue		0.35		0.54		0.50		0.45		0.42		0.42
Total expenses		(0.04)		(0.09)		(0.08)		(0.07)		(0.08)		(0.09)
Realized gains (losses)		0.07		0.43		0.65		(0.96)		(0.27)		1.07
Unrealized gains (losses)		(0.09)		0.05		0.77		1.20		(1.88)		0.68
Total increase (decrease) from operations[2]	**$**	**0.29**	**$**	**0.93**	**$**	**1.84**	**$**	**0.62**	**$**	**(1.81)**	**$**	**2.08**
Distributions:												
From income (excluding dividends)		-		(0.01)		(0.04)		(0.01)		-		-
From dividends		(0.20)		(0.36)		(0.34)		(0.36)		(0.32)		(0.24)
From capital gains		-		-		-		-		-		-
Return of capital		-		(0.09)		(0.05)		-		-		(0.10)
Total distributions[2] [3]	**$**	**(0.20)**	**$**	**(0.46)**	**$**	**(0.43)**	**$**	**(0.37)**	**$**	**(0.32)**	**$**	**(0.34)**
Net assets, end of period[2] [3]	**$**	**9.87**	**$**	**9.82**	**$**	**9.36**	**$**	**7.95**	**$**	**7.70**	**$**	**9.80**

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]	$ 20,355,325	$ 18,512,441	$ 12,251,057	$ 11,093,819	$ 12,818,292	$ 19,517,906
Units outstanding	2,123,384	1,934,762	1,338,140	1,421,796	1,693,176	2,018,179
Management expense ratio[5]	1.49%	1.50%	1.52%	1.53%	1.49%	1.52%
Management expense ratio before waivers or absorption	1.49%	1.50%	1.52%	1.53%	1.49%	1.52%
Portfolio turnover rate[6]	38.1%	92.1%	99.3%	109.8%	82.1%	121.8%
Trading expense ratio[7]	0.06%	0.14%	0.27%	0.34%	0.24%	0.43%
Net asset value per unit, end of period	9.59	9.57	9.16	7.80	7.57	9.67

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]	$ 108,981,842	$ 95,038,907	$ 66,592,142	$ 51,598,167	$ 51,316,465	$ 78,535,564
Units outstanding	11,044,561	9,676,541	7,110,955	6,489,051	6,661,345	8,011,843
Management expense ratio[5]	0.93%	0.93%	0.95%	0.94%	0.92%	0.96%
Management expense ratio before waivers or absorption	0.93%	0.93%	0.95%	0.94%	0.92%	0.96%
Portfolio turnover rate[6]	38.1%	92.1%	99.3%	109.8%	82.1%	121.8%
Trading expense ratio[7]	0.06%	0.14%	0.27%	0.34%	0.24%	0.43%
Net asset value per unit, end of period	9.87	9.82	9.36	7.95	7.70	9.80

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 proprotionate share of the commissions of any underlying fund in which the Fund invested.

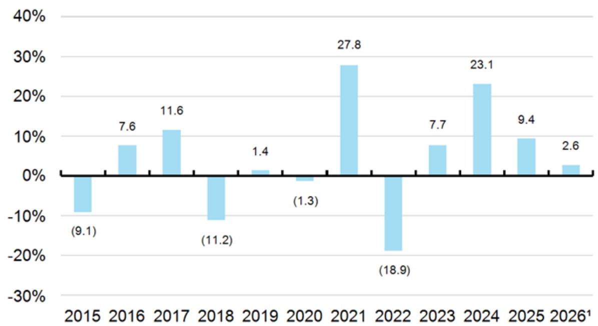
Past Performance

The Fund became a reporting issuer on December 30, 2014. Accordingly, returns are shown for the relevant period/years as indicated below.

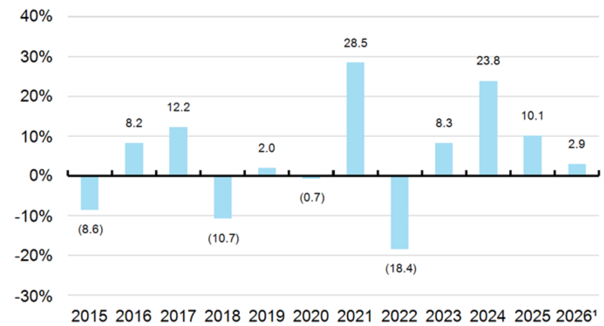
The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily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

Year-by-Year Returns

Series A



Series F



1) For the period January 1 to June 30

Summary of Investment Portfolio

Top 25 Issuers

	% of NAV
Government of Canada (Debt)	10.8
Enbridge Inc.	9.5
TD Bank Group	9.0
Bank of Montreal	8.4
Canadian Imperial Bank of Commerce	7.8
Royal Bank of Canada	6.6
iA Financial Corp. Inc. (Debt)	4.5
Great-West Lifeco Inc. (Debt)	4.3
Pembina Pipeline Corp.	2.8
Royal Bank of Canada (Debt)	2.8
Power Financial Corp.	2.7
Bank of Nova Scotia (Debt)	2.5
Manulife Financial Corp.	2.3
Manulife Financial Corp. (Debt)	2.2
Great-West Lifeco Inc.	2.2
TC Energy Corporation	2.2
Government of USA (Debt)	2.1
Canadian Utilities Ltd.	1.8
Fortis Inc.	1.8
Brookfield Corp.	1.5
Canadian Imperial Bank of Commerce (Debt)	1.4
POWER CORPORATION CANADA	1.2
TransAlta Corp.	1.0
National Bank of Canada (Debt)	1.0
Capital Power Corp.	0.9
Total	**93.3**

Asset Mix

	% of NAV
Canadian Equities	1.4
Canadian Fixed Income	29.8
Cash and Cash Equivalents	0.5
Foreign Fixed Income	2.6
Other Assets Less Liabilities	0.5
Preferred Shares	65.2
Total	**100.0**

Sector Allocation

	% of NAV
Cash and Cash Equivalents	0.5%
Communication Services	0.4%
Consumer Staples	0.3%
Energy	14.4%
Financials	63.5%
Government	12.9%
Industrials	0.9%
Other Assets Less Liabilities	0.5%
Utilities	6.6%
Total	**100.0%**

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