



**ALTERNATIVE MUTUAL FUNDS  
ANNUAL INFORMATION FORM**

**May 11, 2020**

**Offering Series A and Series F Units of:**

**Lysander-Canso Credit Opportunities Fund  
Lysander-Triasima All Country Long/Short Equity Fund**

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise. The Funds and the Units of the Funds under this Annual Information Form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registrations.

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## NAME, HISTORY AND FORMATION OF THE FUNDS

Lysander-Canso Credit Opportunities Fund and Lysander-Triasima All Country Long/Short Equity Fund (each, a “**Fund**” and collectively, the “**Funds**”) are unit trusts established under the laws of Ontario. The Funds are governed by an amended and consolidated declaration of trust as of March 27, 2020, as amended on May 11, 2020 (collectively, the “**Declaration of Trust**”). Prior to May 11, 2020, Lysander-Canso Credit Opportunities Fund was governed by an amended and restated declaration of trust dated as of February 20, 2020 (the “**February 2020 Declaration of Trust**”) and, prior to the February 2020 Declaration of Trust, an amended and restated declaration of trust dated as of November 30, 2016. Prior to February 20, 2020, Canso Fund Management Ltd. was the trustee and manager of Lysander-Canso Credit Opportunities Fund.

Lysander Funds Limited (the “**Manager**”, “**Lysander**”, “**we**” or “**us**”) is the trustee and investment fund manager of the Funds.

The registered office of the Funds and of the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

The Funds that have had major changes in the past 10 years are as follows:

<b>Fund Name</b>	<b>Date of Creation</b>	<b>Major Events</b>
Lysander-Canso Credit Opportunities Fund	August 14, 2008	<ul style="list-style-type: none"><li>• Prior to May 11, 2020, the Fund existed as a non-public mutual fund.</li><li>• On February 20, 2020, the trustee and manager of the Fund changed to Lysander.</li><li>• On February 20, 2020, the Fund changed its name from Canso Credit Opportunities Fund to its current name.</li><li>• On January 1, 2020, the auditor of the Fund changed to Deloitte LLP.</li></ul>

## INVESTMENT RESTRICTIONS OF THE FUNDS AND EXEMPTIVE RELIEF

### Regular Practices and Restrictions

The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* (“**NI 81-102**”). This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Each of the Funds is managed in accordance with these standard investment restrictions and practices. A copy of these investment restrictions and practices may be obtained from the Manager upon request.

The fundamental investment objectives of each of the Funds are set out in the Simplified Prospectus of the Funds. Any change in the fundamental investment objectives of a Fund requires the approval of a majority of unitholders of the Fund (“**Unitholders**”) at a meeting called for that purpose. We may change a Fund’s investment strategies from time to time at our sole discretion.

## Exceptions to Regular Practices and Restrictions

### *Short Selling Relief*

Lysander-Canso Credit Opportunities Fund may, from time to time, short sell government securities concurrently with investing in long positions in corporate fixed income securities. Lysander-Canso Credit Opportunities Fund has obtained exemptive relief from the Canadian securities regulatory authorities from the provisions in NI 81-102 applicable to alternative mutual funds: (i) restricting a Fund's ability to sell a security short, if, at the time, the aggregate market value of the securities sold short by the Fund exceeds 50% of the Fund's net asset value; and (ii) limiting a Fund's ability to borrow cash or sell a security short if, immediately after entering into the cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of securities sold short by the Fund would exceed 50% of the Fund's net asset value. The relief permits the Fund to short sell "government securities" (as defined in NI 81-102) in excess of 50% of the Fund's net asset value provided that the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives transactions remains within the 300% of the Fund's net asset value limit prescribed by NI 81-102.

### *Short Selling Collateral Limit Relief*

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities from the provisions in NI 81-102 requiring all portfolio assets of an investment fund to be held under the custodianship of one custodian except as provided in NI 81-102. In connection with a short sale of securities, the relief permits a Fund to deposit with a borrowing agent who is not its custodian or sub-custodian portfolio assets having an aggregate market value of up to 25% of the net asset value of the Fund at the time of deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent.

## Other Exemptive Relief

### *Past Performance Data Relief*

Lysander-Canso Credit Opportunities Fund has obtained exemptive relief to use the performance data of Series F units relating to the period prior to when the Fund became a reporting issuer in sales communications, fund facts and management reports of fund performance.

## Eligibility under the Income Tax Act

Lysander-Triasima All Country Long/Short Equity Fund is expected to qualify at all times as a "mutual fund trust" for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and/or will be registered as a "registered investment" under the Tax Act for registered retirement savings plans, registered retirement income funds and deferred profit sharing plans. As a result, units of Lysander-Triasima All Country Long/Short Equity Fund are expected to qualify as qualified investments under the Tax Act for trusts governed by registered retirement savings plans (including group registered retirement savings plans, locked in retirement savings plans and locked in retirement accounts), registered retirement income funds (including life income funds, locked in retirement income funds and prescribed retirement income funds), deferred profit sharing plans, registered disability savings plans, registered education savings plans and tax-free savings accounts (referred to collectively as "**Registered Plans**").

Annuitants of registered retirement savings plans and registered retirement income funds, holders of tax-free savings accounts and registered disability savings plans, and subscribers of registered education savings plans should consult with their own tax advisors as to whether units of Lysander-Triasima All

Country Long/Short Equity Fund would be a “prohibited investment” under the Tax Act in their particular circumstances. Under a safe harbour rule for new mutual funds, units of Lysander-Triasima All Country Long/Short Equity Fund will not be a prohibited investment for a Registered Plan at any time during the first 24 months of the Fund’s existence provided the Fund is, or is deemed to be, a mutual fund trust under the Tax Act during that time and is in substantial compliance with NI 81-102 or follows a reasonable policy of investment diversification.

Lysander-Canso Credit Opportunities Fund is currently neither a registered investment nor a mutual fund trust for purposes of the Tax Act. As a result, units of Lysander-Canso Credit Opportunities Fund are not qualified investments for Registered Plans. Registered Plans and their planholders are generally subject to severe adverse tax consequences when such Registered Plan acquires and holds a non-qualified investment.

## DESCRIPTION OF UNITS

### General

Each Fund is permitted to issue an unlimited number of series (“**Series**”) of units (“**Units**”) and may issue an unlimited number of Units of each Series. Lysander-Canso Credit Opportunities Fund has created Series A, Series C, Series F and Series O Units (but only Series A and Series F Units are qualified for distribution under the Simplified Prospectus). Lysander-Triasima All Country Long/Short Equity Fund has created Series A and Series F Units.

**Series A Units:** Available to all investors.

**Series F Units:** Available to investors who participate in fee-based programs through their dealer, investors for whom the Manager does not incur distribution costs or individual investors approved by the Manager. You may only buy Series F Units if we and your broker, dealer or adviser approve the order first.

Although the money which you and other investors pay to purchase Units of any Series is tracked on a Series-by-Series basis in a Fund’s administrative records, the assets of all Series of a Fund are combined into a single pool to create one portfolio for investment purposes. Please refer to the Funds’ Simplified Prospectus for further information pertaining to Series A and Series F Units.

Units of a Series of a Fund represent your ownership in the Fund. You receive distributions of a Fund’s net income and net capital gains attributable to your Series of Units (except for Management Fee Distributions (as defined below) and distributions of capital gains to redeeming Unitholders) based on their relative net asset value (“**NAV**”) and net asset value per Unit (“**NAV per Unit**”) for each Series in the Fund. Upon the wind-up or termination of a Fund, Unitholders will be entitled to participate *pro rata* in the Fund’s net assets allocated to the applicable Series less applicable sales charges, if any. If you hold Units in a Fund, you will be entitled to vote at Unitholder meetings of the Fund as a whole as well as any Unitholder meetings for the particular Series of Units that you own. Each Unit, regardless of the Series, will entitle the holder to 1 vote at all meetings of Unitholders. Units are issued as fully paid and non-assessable and are redeemable at their NAV per Unit. Units of a Fund may be switched into Units of any other Fund (or any other mutual funds managed by the Manager and offered under separate simplified prospectuses (collectively, the “**Lysander Funds**”)), except that switches between a Lysander Fund and Lysander-Canso U.S. Credit Fund are not permitted and, in some cases, can be reclassified between Series of the same Fund (see “**Switching Privileges**”). Additional information relating to switching between different Lysander Funds is also available in the Simplified Prospectus of the Funds. The Funds may issue fractional Units, which shall entitle the holder to similar proportionate participation in a Fund but will not entitle the holder to receive notice of, or vote at, meetings of Unitholders of the Fund.

Unitholders of the Funds can redeem all or any of their Units at the NAV per Unit of the relevant Series as described under “Redemption of Units”.

The rights and conditions attaching to the Units of each Series of the Funds may be modified only in accordance with the provisions attaching to such Units and the provisions of the Declaration of Trust. A description of the Series of Units offered by each Fund and the eligibility requirements attached to such Series of Units is contained in the Simplified Prospectus of the Funds.

### **Meetings of Unitholders**

The Funds do not hold regular meetings. Unitholders are entitled to vote on all matters that require Unitholder approval under NI 81-102 or under the Declaration of Trust. Some of these matters are:

- the introduction of a fee or expense, or a change in the basis of the calculation of a fee or expense, that is or is to be charged to the Fund or directly to its Unitholders by the Fund or the Manager in connection with the holding of Units of the Fund, in a way that could result in an increase in charges to the Fund or to its Unitholders, except where a meeting is not required in such a case under securities legislation;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the NAV per Unit of the Fund; and
- certain material reorganizations of the Fund.

Approval of these matters requires an affirmative vote of at least a majority of the Unitholders present in person or by proxy at a meeting called to consider these matters.

## **CALCULATION OF NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES**

### **Calculation of NAV and NAV per Unit**

As at 4:00 p.m. (Eastern time) on each day that the Toronto Stock Exchange (“**TSX**”) is open for business (a “**Valuation Date**”), the NAV per Unit is calculated for each Series of a Fund in Canadian dollars. The NAV per Unit (or Unit price) of a Series will be based on the fair value of the Series’ proportionate share of the assets of a Fund, less that Series’ proportionate share of common liabilities and less any liabilities attributable to that Series of the Fund, divided by the total outstanding Units of that Series. The NAV per Unit of a Series is the basis for all purchases, switches, reclassifications and redemptions and for reinvestment of distributions.

### **Valuation of Portfolio Securities**

In determining the fair value of the assets of each Fund the following rules apply:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof, in which event the

value thereof shall be deemed to be such value as the Manager determines to be the reasonable value thereof;

- the value of any share, subscription right or other equity security which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price or closing price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price therefor as the Manager may from time to time determine) on the day as of which the NAV or NAV per Unit is being determined, as reported by any means in common use. The value of any bond or other debt security, other than a short-term security, shall be determined by using prices supplied by each Fund's pricing agents which reflect broker/dealer supplied valuations and electronic data processing techniques. If it is not possible to value a particular debt security pursuant to these valuation methods, then the value of such security shall be the most recent bid quotation supplied by a bona fide market-maker. Short-term securities with remaining maturities of sixty days or less are valued by the amortized cost method, which the Manager believes approximates market value. The value of interlisted securities shall be computed in a manner which in the opinion of the Manager most accurately reflects their fair value. If, in the opinion of the Manager, the above valuations do not properly reflect the prices which would be received by a Fund upon the disposal of shares or securities necessary to effect any redemption or redemptions, the Manager may place such value upon such shares or securities as appears to it to most closely reflect the fair value of such shares or securities;
- the value of any bond, time note, share, subscription right or other security or other property which is not listed or dealt in on a stock exchange shall be determined on the basis of such price quotations which in the opinion of the Manager best reflect its fair value;
- the value of any restricted security, as defined in NI 81-102, shall be valued at such value which in the opinion of the Manager best reflect its fair value;
- long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- any premium received by a Fund for a written covered clearing corporation option, option on futures or over-the-counter option shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. The deferred credit shall be deducted in arriving at the NAV of a Fund or the Series of a Fund. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued in accordance with the provisions of this paragraph;
- futures contracts and forward contracts shall be valued according to the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract or forward contract, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- all assets of a Fund valued in terms of foreign currency, funds on deposit, contractual obligations payable to the Fund in foreign currency and liabilities payable by the Fund in foreign currency shall be taken at the current rate of exchange as nearly as practicable at the time as of which the NAV is

computed. Foreign currency for the purpose of this section is currency other than Canadian currency; and

- the value of any bond, time note, share, subscription right or other security or other property for which none of the above valuation procedures is applicable shall be the fair value thereof as determined from time to time in such manner as the Manager may determine.

The Manager has the discretion noted above to deviate from the Funds' valuation principles set out above. We have not exercised such discretion in the past three years.

The liabilities of each Fund shall be deemed to include:

- all bills and accounts payable;
- all expenses payable by the Fund and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- all allowances authorized or approved by the Manager for taxes or contingencies; and
- all other liabilities of a Fund or Series of a Fund of whatsoever kind and nature, except liabilities represented by outstanding Units.

The Manager will make available the NAV per Unit for each Series of each Fund on the Manager's website at [www.lysanderfunds.com](http://www.lysanderfunds.com). Such information will also be available on request, free of charge, by calling the Manager toll free at 1-877-308-6979, by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing the Manager at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

## PURCHASE OF UNITS

### General

Each of the Funds offers Series A and Series F Units. Units of each Series of the Funds are offered for sale on a continuous basis. Purchase orders must be placed with registered dealers in an investor's province or territory, except for orders placed under any applicable registration exemption. You may purchase, switch, reclassify or redeem Units of the Funds directly through your registered dealer approved by the Manager, except that switches between a Lysander Fund and Lysander-Canso U.S. Credit Fund are not permitted. The procedures to be followed by investors who desire to purchase Units of the Funds are described in the Funds' Simplified Prospectus.

The Funds do not intend to issue certificates for Units. Ownership will be evidenced by entry in the register maintained by the Funds' registrar. For information on the Funds' registrar, see the chart under "*Organization and Management of the Funds*" in the Simplified Prospectus.

### Purchase Price and Purchase Frequency

Units of the Funds may be purchased at their NAV per Unit of a Series from time to time, computed as described under "Calculation of Net Asset Value and Valuation of Portfolio Securities".

### *Lysander-Canso Credit Opportunities Fund*

Lysander-Canso Credit Opportunities Fund has obtained exemptive relief to permit the Fund to process purchase orders for its Units on a monthly basis.

Units of Lysander-Canso Credit Opportunities Fund may be purchased on a monthly basis. If we receive your purchase order before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on the last Valuation Date of the month, we will process your order based on the NAV per Unit calculated on the last Valuation Date of that month. If we receive your order after that time, we will process your order based on the NAV per Unit calculated on the last Valuation Date of the next month.

### *Lysander-Triasima All Country Long/Short Equity Fund*

Units of Lysander-Triasima All Country Long/Short Equity Fund may be purchased on a daily basis. If we receive your purchase order before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on a Valuation Date, we will process your order based on the NAV per Unit calculated on that day. If we receive your order after that time, we will process your order based on the NAV per Unit calculated on the next Valuation Date.

### **Purchasing Series A Units**

There is only 1 purchase option when purchasing Series A Units of the Funds, namely the Initial Sales Charge Option. Under the Initial Sales Charge Option, you negotiate a sales charge with your dealer at the time of purchase of Series A Units (see “*Sales Charges*” in the Fees and Expenses table in the Simplified Prospectus for more information).

### **Purchasing Series F Units**

Series F Units are only available to investors through dealers or financial planners who offer certain fee-based programs, or any other dealers, that have been approved by us, or certain other investors in our sole discretion. An investor in one of these programs pays a fee to his or her dealer based on the assets in that investor’s account and/or for ongoing financial planning and advice.

There are no sales charges, redemption fees, trailing commissions or other commissions payable on the purchase or sale of Series F Units.

### **If Unitholder Ceases to be Eligible**

If you cease to be eligible to hold your Series of Units, we may change your Units into another Series of the same Fund for which you are eligible after giving you 30 days’ prior written notice, unless you notify us during the notice period, and we agree, that you are once again eligible to hold the original Series of Units. On a change from the original Series of Units to another Series, you will be required to pay the fees and charges under the applicable Series, if any.

### **Minimum Investment**

The minimum initial investment in Units of Series A and Series F of the Funds is \$1,000. The minimum additional investment is \$100. The initial minimum investment amount may be adjusted or waived in our absolute discretion and without notice to Unitholders.

## **Processing Orders**

All orders for Units are forwarded to the registered office of the Funds for acceptance or rejection and each Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for Units to the registered office of the Funds without charge to the Unitholder. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal may be done through the electronic facility known as “Fundserv”. Receipt of an order, payment or other documentation by such a facility on behalf of a Fund will be considered to be receipt by the Fund. You and your dealer are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions. The decision to accept or reject any order for Units will be made within 1 business day of receipt of the order by the Fund. In the event that any purchase order is rejected, all monies received with the order are returned to the subscriber. Full and proper payment for all orders for Units must be received at the Funds’ registered office on or before the settlement date. The settlement date is the 2<sup>nd</sup> business day after the day on which the subscription price for the Units so ordered is determined.

Orders placed must be settled within the time periods described above. Where payment of the subscription price is not received on a timely basis or where the payment is returned or dishonoured, we, on behalf of the Fund, redeem the Units ordered by the cut-off time on the 1st business day following such period. The redemption proceeds reduce the amount owing to the Fund in respect of the failed purchase transaction. If the proceeds are greater than the amount you owe us, the Fund keeps the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

## **SWITCHING PRIVILEGES**

### **Switching Between the Lysander Funds or Between Series**

You can switch all or some of your Units of a Fund to Units of another Lysander Fund by completing a transfer order form and depositing it with your dealer, except that switches between a Lysander Fund and Lysander-Canso U.S. Credit Fund are not permitted. A switch constitutes a sale (redemption) by you of your Units of the original Fund and a purchase of Units of the new Lysander Fund. Please refer to “*Income Tax Considerations*” for more details.

You may reclassify all or some of your Units of a Fund to Units of a different Series of the same Fund through your dealer if you meet the eligibility criteria for the Series into which you are reclassifying, however you will be subject to the sales charge option applicable to that particular Series, if any.

We may reclassify your Series of Units of a Fund into another Series of the same Fund for which you are eligible upon 30 days’ prior notice if you cease to be eligible to hold the original Series of Units in your account. We will not make the reclassification if your dealer notifies us during the notice period, and we agree, that you are once again eligible to hold the original Series of Units.

### **Switch Fees**

Dealers may charge Unitholders a switch fee of up to 2% of the amount switched or reclassified to cover the time, advice and processing costs involved in a switch or reclassification. The Unitholder and dealer negotiate this fee.

Unitholders may also have to pay to a Lysander Fund a short-term trading fee if you switch units you bought or switched into in the last 30 days. See “*Fund Governance – Short-Term Trading Fees*” below.

## REDEMPTION OF UNITS

### Redemption Price and Redemption Frequency

Units of a Series of a Fund are redeemable based on the NAV per Unit of that Series.

#### *Lysander-Canso Credit Opportunities Fund*

Lysander-Canso Credit Opportunities Fund has obtained exemptive relief to permit the Fund to process redemption orders for its Units on a monthly basis.

Units of Lysander-Canso Credit Opportunities Fund are redeemable on a monthly basis. Redemption requests received by the Manager before 4:00 p.m. (Eastern Time) on the 15<sup>th</sup> day of a month or, if the 15<sup>th</sup> day is not a Valuation Date, the Valuation Date immediately preceding the 15<sup>th</sup> day (the “**Monthly Redemption Submission Date**”) are processed on the last Valuation Date of that month (the “**Monthly Valuation Date**”) based on the NAV per Unit as of that Monthly Valuation Date. Redemption requests received by the Manager after 4:00 p.m. (Eastern Time) on a Monthly Redemption Submission Date will be processed and based on the NAV per Unit on the Monthly Valuation Date of the next month.

#### *Lysander-Triasima All Country Long/Short Equity Fund*

Units of Lysander-Triasima All Country Long/Short Equity Fund are redeemable on a daily basis. Redemption requests received by the Manager before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on a Valuation Date are processed on that Valuation Date based on the NAV per Unit as of that day. Redemption requests received by the Manager after that time are processed on the next Valuation Date based on the NAV per Unit as of that next Valuation Date.

### Processing Redemptions

Redemption requests may be forwarded to dealers for delivery to a Fund. Dealers must transmit the particulars of such redemption requests to the Fund without charge to a Unitholder and must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. This transmittal may be done through the electronic facility known as “Fundserv”. Receipt of a redemption request or other documentation by such a facility on behalf of a Fund will be considered to be receipt by the Fund. You and your dealer are responsible for ensuring that your redemption request is accurate and that we receive all necessary documents or instructions.

No payment of redemption proceeds is made until a duly completed redemption request has been received from the registered holder of the Units. Redemption requests:

- for redemption proceeds of \$25,000 or more;
- that direct redemption proceeds to be paid to someone other than the dealer or to an address other than the registered address of the investor;
- for redemption proceeds not payable to all joint owners on an investor’s account; or
- from a corporation, partnership, agent, fiduciary or surviving joint owner

may, in each case, be required to have signatures guaranteed by a Canadian chartered bank or trust company or by the Unitholder’s dealer. You should consult your dealer with respect to the documentation required.

Where a Fund has received a duly-completed redemption request, the Fund generally pays the redemption proceeds within 2 business days of receipt of such documents. If you fail to provide the Fund with a duly completed redemption request within 10 business days of the date on which the NAV is determined for the purposes of the redemption, we, on behalf of the Fund, will reverse the redemption order by processing a purchase order on the 10th business day for the number of Units of the Series that were redeemed, except that in the case of Lysander-Canso Credit Opportunities Fund, we will cancel the order where the 10th business day has occurred prior to the relevant Monthly Valuation Date. Where a redemption order has been reversed, the redemption proceeds which would have been paid on the failed transaction are used to pay the purchase price. If the redemption proceeds are more than the purchase price, the difference belongs to the Fund. If the redemption proceeds are less than the purchase price, the dealer placing the redemption request pays the difference to the Fund and you may have to reimburse your dealer.

Payment for the Units that are redeemed shall be made as described above, provided that your cheque in payment for the purchase of any of the Units being redeemed has cleared. Any withholding taxes and performance fees are deducted from the payment, as applicable.

Unless you otherwise request, the cheque representing the redemption proceeds is mailed to your address as shown on the register of the Fund. As a convenience to Unitholders whose Units are registered in their own names, we will, if you so request, deliver by wire transfer the redemption proceeds to your designated Canadian dollar account at a Canadian bank, trust company or credit union on the day on which the redemption proceeds are made available by a Fund to us. There are no charges for this service, other than any costs or other fees in connection with a wire transfer that may be charged by your financial institution.

Unitholders whose Units are registered in the name of their dealer, broker or other intermediary must instruct that entity to provide us with a redemption request. Redemption proceeds are paid only to registered holders of Units, so Unitholders holding through financial intermediaries should expect redemption proceeds to be paid into their account with their financial intermediary.

There may be additional fees to pay if you switch or redeem your Units of Lysander-Triasima All Country Long/Short Equity Fund within 30 days of a purchase or a switch – see “*Short-term trading fee*” in the Fees and Expenses table in the Simplified Prospectus for more information.

You should also refer to “*Switching Privileges – Switch Fees*” above and “*Fund Governance – Short-Term Trading Fees*” below in connection with any redemption of Units.

### **Automatic Redemption**

Unitholders must be a Canadian resident in order to purchase and hold Units of any Fund. If you cease to be a Canadian resident, we will redeem all of the Units in your account and send the proceeds to you.

Unitholders in Series A or Series F of the Funds must keep at least \$1,000 in each of their accounts. If your account falls below this amount, we may notify you and give you 30 days to make another investment. If your account stays below \$1,000 after those 30 days, we may redeem all of the Units in your account and send the proceeds to you.

### **Suspension of Redemption Rights**

We reserve the right to suspend the right of redemption and to postpone the date of payment upon redemption for any period, but only in compliance with applicable securities legislation (“**redemption suspension period**”). The right of redemption with respect to Units of a Series of a Fund may be suspended during any period when normal trading is suspended on any exchange on which are traded portfolio

securities or specified derivatives representing more than 50% of a Fund's total asset value without allowance for liabilities, provided that those portfolio securities or specified derivatives are not traded on another exchange that represents a reasonably practical alternative for the Fund. In addition, the right of redemption may be suspended with the consent of securities regulatory authorities. In the case of a suspension of the right of redemption before the redemption proceeds have been determined, a Unitholder may either withdraw a redemption request or receive payment when the redemption suspension period ends.

In the case of Lysander-Canso Credit Opportunities Fund, if a Unitholder makes a redemption request and a redemption suspension period is in effect on the Monthly Valuation Date applicable to the Unitholder's redemption request, the Unitholder's Units will be redeemed by the Fund in accordance with the redemption request at the NAV first calculated following the end of the redemption suspension period.

In the case of Lysander-Triasima All Country Long/Short Equity Fund, if a Unitholder makes a redemption request during a redemption suspension period, the Unitholder's Units will be redeemed by the Fund in accordance with the redemption request at the NAV per Unit first calculated following the end of the redemption suspension period.

During any redemption suspension period, orders to purchase Units will not be accepted.

## RESPONSIBILITY FOR MUTUAL FUND OPERATIONS

### The Manager

Lysander Funds Limited is the trustee and investment fund manager of the Funds. The head office of the Manager is located at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1. The phone number for the Manager is 1-877-308-6979, the email address is [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) and the website address is [www.lysanderfunds.com](http://www.lysanderfunds.com). As investment fund manager, we are responsible for the day-to-day business, operations and affairs of the Funds and provide marketing and administrative services to the Funds. We also furnish the office space and facilities, clerical help, bookkeeping and the internal accounting services required by each of the Funds. All Unitholder reporting and servicing requirements are also furnished by us or on our behalf. The Manager has retained Convexus Managed Services Inc. ("**Convexus**" or the "**Administrative Agent**") to carry out certain administrative services for the Funds, consisting of fund accounting, valuation, including Unitholder recordkeeping, processing of all subscriptions and redemptions and calculating and processing all income and capital gains distributions. In this capacity, the receipt by the Administrative Agent of any document pertaining to the purchase, redemption, switch or reclassification of Units will be considered to be the receipt by the Funds.

The names and municipalities of residence of the directors and executive officers of the Manager, their respective positions and offices with the Manager, and their principal occupations in the past 5 years, are as follows:

Name and Municipality of Residence	Position with the Manager	Principal Occupation in Past 5 Years
John P. Carswell Richmond Hill, Ontario	Director	President, Canso Investment Counsel Ltd.
Timothy Hicks Toronto, Ontario	Chief Investment Officer and Director	Chief Investment Officer of the Manager.  Portfolio Manager, Canso Investment Counsel Ltd.

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Principal Occupation in Past 5 Years</b>
Ruth Liu Vaughan, Ontario	General Counsel and Corporate Secretary	General Counsel of the Manager since August 2018. Corporate Secretary of the Manager since March 2019. Senior Counsel, TD Bank from November 2015 to July 2018. Director, Compliance Legal Counsel, Scotiabank from April 2015 to October 2015. Partner, Borden Ladner Gervais LLP from January 2013 to April 2015.
Heather Mason-Wood Richmond Hill, Ontario	Director	Chief Strategy and Operating Officer, Canso Investment Counsel Ltd. since May 2019. Portfolio Manager and Chief Compliance Officer, Canso Investment Counsel Ltd. until May 2019.
Raymond Oh Richmond Hill, Ontario	Director	Currently retired. President and Chief Operating Officer, Toogood Financial Systems Inc. until November 2018. Chief Executive Officer, Convexus Manager Services Inc. until November 2018.
Salvatore Reda Verdun, Québec	Director	President, Maralex Capital Inc. since 2011.
B. Richard Usher-Jones Toronto, Ontario	President, Chief Executive Officer and Ultimate Designated Person	President and Chief Executive Officer of the Manager. Portfolio Manager, Canso Investment Counsel Ltd.
Rajeev Vijn Toronto, Ontario	Chief Operating Officer, Chief Financial Officer and Chief Compliance Officer	Chief Operating Officer, Chief Financial Officer and Chief Compliance Officer of the Manager.
Lee Wong Markham, Ontario	Director	Chief Executive Officer, Toogood Financial Systems Inc.

We act as investment fund manager of the Funds pursuant to an amended and restated master management agreement made as of March 27, 2020, as amended on May 11, 2020 (the “**Management Agreement**”). The Management Agreement may be terminated by us or a Fund on 60 days’ prior written notice. Any change in the investment fund manager of a Fund (other than to one of our affiliates) may be made only with the approval of the Unitholders of that Fund and, where applicable, in accordance with securities legislation.

### **Management Fees**

For its services rendered to the Funds, the Manager receives from each Fund a management fee which is calculated by multiplying the Fund’s NAV attributable to the applicable Series of Units by an annual management fee rate. The annual management fee rate is unique to each Series of Units and is disclosed in the Funds’ Simplified Prospectus. The management fee is calculated and accrued daily and paid monthly. Management fees are subject to harmonized sales tax (HST).

### **Management Fee Distributions**

The Manager reserves the right to offer a reduced management fee to selected investors in Series A and Series F Units who (among other considerations) hold large investments in the Funds. This is achieved by reducing the annual management fee rate charged by us to a Fund based on the aggregate NAV of the Units held by such investor and the Fund distributing an amount equal to such reduction (a “**Management Fee Distribution**”) in additional Units of the same Series of the Fund to the investor. Management Fee Distributions may be made payable as of any Valuation Date and are paid first out of net income and net realized capital gains, and thereafter out of capital. The tax consequences of Management Fee Distributions will generally be borne by the qualifying investors receiving the Management Fee Distributions. Please refer to “*Income Tax Considerations*” for more information regarding the tax consequences of a Management Fee Distribution.

### **Fund-of-Fund Investments**

When a Fund invests in an underlying fund, the underlying fund may pay a management fee and other expenses in addition to the expenses payable by the Fund. However, the Fund will not pay a management fee on the portion of its assets that it invests in the underlying fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, no sales or redemption fees are payable by a Fund if it invests in an underlying fund managed by us and if a Fund invests in an underlying fund not managed by us, it will not pay duplicative sales fees or redemption fees with respect to the purchase or redemption by it of securities of that underlying fund.

### **Trustee**

We have been appointed as trustee of the Funds under the Declaration of Trust (in such capacity, the “**Trustee**”), which establishes the fundamental operating structure for the Funds. In our capacity as trustee, we have ultimate responsibility for the business and undertaking of the Funds and must carry out the terms of the Declaration of Trust. Currently, we receive no compensation in our capacity as trustee. We may resign as trustee of a Fund by giving 60 days’ prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by Unitholders in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

## Portfolio Managers

Canso Investment Counsel Ltd. (“**Canso**”), located in Richmond Hill, Ontario, is the portfolio manager of Lysander-Canso Credit Opportunities Fund, pursuant to an Investment Management Retainer Agreement dated as of December 22, 2011, as amended on February 3, 2012, December 20, 2012, September 16, 2013, December 30, 2014, November 20, 2015, December 31, 2015, December 30, 2016, December 23, 2019 and February 20, 2020 (the “**Canso IMA**”). The Canso IMA may be terminated by either us or Canso on 30 days’ prior written notice.

Triasima Portfolio Management Inc. (“**Triasima**”), located in Montréal, Québec, is the portfolio manager of Lysander-Triasima All Country Long/Short Equity Fund, pursuant to an Investment Management Agreement dated December 31, 2015, as amended on December 23, 2019 and May 11, 2020 (the “**Triasima IMA**”). The Triasima IMA may be terminated by either us or Triasima where certain events occur, such as bankruptcy, material breach or revocation of securities registration.

In their roles as portfolio managers, each entity is responsible for the management of the relevant investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to that portion of the assets of the Funds each entity manages. In carrying out these responsibilities, a portfolio manager may retain the services of other portfolio managers as sub-advisors for one or more of the Funds. Certain of these sub-advisors may be affiliated with either Canso or the Manager.

Investment decisions for the Funds are made by one or more teams of individual portfolio managers employed by Canso or Triasima, as the case may be, and are not subject to the approval of any committee. The individuals on the portfolio management team at each portfolio manager who are principally responsible for the day-to-day management of a material portion of the portfolio of a Fund are as set forth in the tables below.

### *Canso*

<b>Name and Title</b>	<b>Years with Canso</b>	<b>Fund(s)</b>	<b>Business Experience in the Past Five Years</b>
Jeff Carter, CFA	5	<ul style="list-style-type: none"> <li>Lysander-Canso Credit Opportunities Fund</li> </ul>	<p>Portfolio Manager of Canso since 2015.</p> <p>Chief Compliance Officer of Canso since 2019.</p>
Jason Davis, CFA	8	<ul style="list-style-type: none"> <li>Lysander-Canso Credit Opportunities Fund</li> </ul>	<p>Portfolio Manager of Canso since 2019; Associate Portfolio Manager of Canso from 2017 to 2019; Portfolio Analyst of Canso from 2014 to 2017.</p>
John Laing, CFA	11	<ul style="list-style-type: none"> <li>Lysander-Canso Credit Opportunities Fund</li> </ul>	<p>Portfolio Manager of Canso since 2012.</p>
Joe Morin, CFA, MBA	11	<ul style="list-style-type: none"> <li>Lysander-Canso Credit Opportunities Fund</li> </ul>	<p>Portfolio Manager of Canso since 2009.</p>

Name and Title	Years with Canso	Fund(s)	Business Experience in the Past Five Years
Vivek Verma, CFA	18	<ul style="list-style-type: none"> <li>Lysander-Canso Credit Opportunities Fund</li> </ul>	Portfolio Manager of Canso since June 2005.

### *Triasima*

Name and Title	Years with Triasima	Fund(s)	Business Experience in the Past Five Years
André Chabot	20	<ul style="list-style-type: none"> <li>Lysander-Triasima All Country Long/Short Equity Fund</li> </ul>	Founder, Chief Executive Officer & Chief Investment Officer, Triasima Portfolio Management Inc. since 2000.
Nicola Haratonian	6	<ul style="list-style-type: none"> <li>Lysander-Triasima All Country Long/Short Equity Fund</li> </ul>	Portfolio Manager, Triasima Portfolio Management Inc. since 2014.
Scott Collins	20	<ul style="list-style-type: none"> <li>Lysander-Triasima All Country Long/Short Equity Fund</li> </ul>	Founder and Portfolio Manager, Triasima Portfolio Management Inc. since 2000.
Redouane Khireddine	20	<ul style="list-style-type: none"> <li>Lysander-Triasima All Country Long/Short Equity Fund</li> </ul>	Founder and Portfolio Manager, Triasima Portfolio Management Inc. since 2000.

### **Cash Lenders**

The Manager, on behalf of the Funds, has entered into a prime brokerage agreement with Scotia Capital Inc. dated May 5, 2020 (the “**Prime Brokerage Agreement**”). Pursuant to the terms of the Prime Brokerage Agreement, the Funds may borrow money for investment purposes in accordance with their investment objectives and strategies and in compliance with applicable law. The prime broker is independent of the Manager.

### **Brokerage Arrangements**

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker, and the negotiation, where applicable, of commissions are made by the portfolio managers for the relevant Funds.

In selecting brokers, various factors will be considered in the context of a particular trade and in regard to the portfolio managers’ overall responsibilities with respect to each Fund and to other investment accounts the portfolio managers manage. Factors deemed relevant may include the following: (i) price; (ii) size and type of the transaction; (iii) reasonableness of compensation to be paid; (iv) speed and certainty of trade executions, including the broker’s willingness to commit capital; (v) nature of markets on which the security is to be purchased or sold; (vi) the availability of liquidity in the security; (vii) reliability of a market center

or broker; (viii) overall trading relationship with the broker; (ix) assessment of whether and how closely the broker will likely follow instructions; (x) degree of anonymity that a particular broker or market can provide; (xi) the potential for avoiding market impact; (xii) the execution services rendered on a continuing basis; (xiii) the execution efficiency, settlement capability and financial condition of the firm; (xiv) arrangements for payment of Fund expenses, if applicable; and (xv) the provision of additional brokerage and research products and services, if applicable.

Portfolio transactions may be executed with brokers who provide research services to assist the portfolio managers with their investment management responsibilities. Such services may include facilitating meetings with issuers, reports and analysis which are used to assist with investment decisions; quotation services; data, information and other services; analytical computer software and services; and investment recommendations. The portfolio managers have confirmed to Lysander that they have established procedures to assist them in making a good faith determination that their clients, including the applicable Funds, receive a reasonable benefit considering the value of research goods and services and the amount of brokerage commissions paid.

The name of any dealer or third party that provided a good or service referred to in the foregoing list will be provided to Unitholders upon request by contacting us at 1-877-308-6979 or [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com).

### **Custodian**

The portfolio assets of the Funds are held under the principal custodianship of CIBC Mellon Trust Company, located in Toronto, Ontario, pursuant to a custodial services agreement made as of December 8, 2011 and effective as of September 25, 2009, as amended on July 30, 2012, December 31, 2012, August 29, 2013, December 22, 2014, April 2, 2015, November 20, 2015, December 31, 2015, December 30, 2016, January 9, 2020, February 20, 2020, March 27, 2020 and May 11, 2020 (the “**Custodian Agreement**”). As custodian, CIBC Mellon Trust Company holds the cash and securities of all the Funds. Any party to the Custodian Agreement may terminate it at any time upon 90 days’ written notice or immediately, if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. The principal custodian has a qualified foreign sub-custodian in each jurisdiction in which the Funds invest in securities. The agreements between CIBC Mellon Trust Company and such sub-custodians are consistent with the provisions of the Custodian Agreement, provide that each Fund may enforce its rights in respect of its assets held in accordance with their provisions and otherwise comply with the relevant provisions of NI 81-102.

### **Auditor**

Deloitte LLP of Toronto, Ontario is the auditor of each Fund.

### **Registrar and Transfer Agent**

Convexus acts as the registrar and transfer agent and provides other administrative services for the Funds, from its principal offices in Richmond Hill, Ontario, pursuant to an administrative services agreement dated July 1, 2009. Convexus delivers administration processing for the Funds for investment accounting, NAV calculations, transfer agency, Unitholder record keeping, tax preparation, client statements and client servicing.

## Securities Lending Agent

In the event that a Fund engages in securities lending or repurchase or reverse repurchase transactions, CIBC Mellon Trust Company of Toronto, Ontario will be appointed as the Fund's securities lending agent. The securities lending agent is not an affiliate of the Manager.

## CONFLICTS OF INTEREST

### Principal Holders of Securities

As at April 13, 2020, the directors and senior officers of the Manager beneficially owned, directly or indirectly, in aggregate, 95% of the Class A voting and 38% of the Class B subordinated voting shares of the Manager.

As at April 13, 2020, the directors and senior officers of the Manager beneficially owned, directly or indirectly, in aggregate, 76% of the Class A voting and 36% of the Class B subordinated voting shares of Canso.

As at April 13, 2020, the directors and senior officers of the Manager beneficially owned, directly or indirectly, in aggregate, 94% of the Class A voting shares of Convexus.

As at April 13, 2020, the following persons owned of record or, to our knowledge, beneficially, directly or indirectly, more than 10% of the outstanding Units of a Series of a Fund:

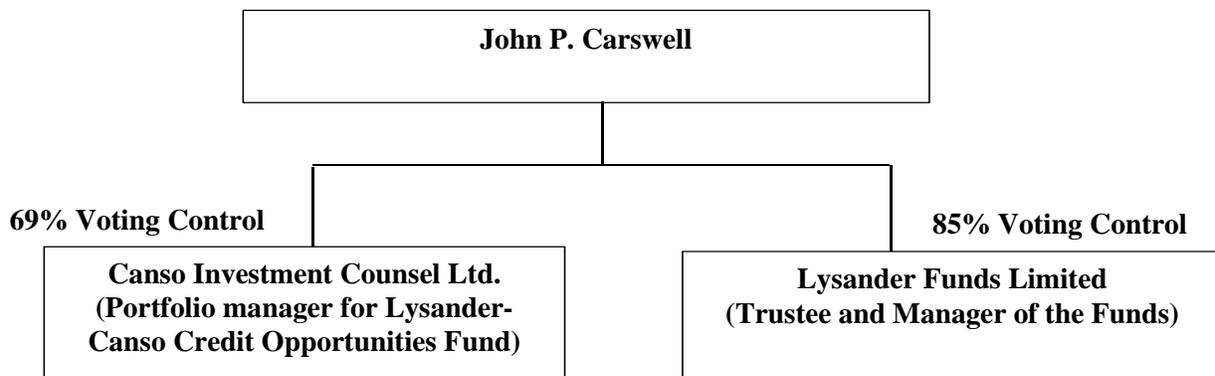
<b>Name of Holder*</b>	<b>Series and Fund</b>	<b>Type of Ownership</b>	<b>Number of Units</b>	<b>Percentage of Outstanding Series of Fund Units</b>
John Carswell	Series C, Lysander-Canso Credit Opportunities Fund	Beneficially and of record	321,137	90.5%
Investor A*	Series F, Lysander-Canso Credit Opportunities Fund	Beneficially and of record	206,528	42.6%

\* To protect the privacy of this individual investor, the Manager has omitted the name of the Unitholder. This information is available on request by contacting the Manager at the telephone number on the back of this Annual Information Form.

As at May 11, 2020, Lysander Funds Limited owned directly, of record and beneficially, 100% of each of Series A and Series F Units of Lysander-Triasima All Country Long/Short Equity Fund.

## Affiliated Entities

The following diagram shows the respective relationship between the Manager and any affiliated entity that provides services to the Funds and/or to the Manager with regard to the Funds:



Amounts material to a Fund paid by the Manager to an affiliated entity for services provided to a Fund will be reported in the audited financial statements of the Fund.

## FUND GOVERNANCE

### General

The Manager, as the trustee and the investment fund manager of the Funds, has the ultimate and overriding authority to manage and direct the business, operations and affairs of the Funds, subject to applicable law and the Declaration of Trust. The Manager has established appropriate policies, procedures and guidelines to ensure the proper management of the Funds. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements.

### Independent Review Committee (“IRC”)

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds* (“**NI 81-107**”), an IRC has been established for all the investment funds managed by the Manager. The IRC is composed of 4 individuals, each of whom is independent of the Funds, the Manager and its affiliates. The current members of the IRC are Paul Fahey as Chair, Jim McGill, Bill Schultz and Ruth Gould.

For the financial year ended December 31, 2019, the aggregate fees and expenses paid to members of the IRC by all the investment funds managed by the Manager (including its closed-end funds, exchange-traded fund and other Lysander Funds) was \$46,844.18. Each of the Lysander Funds pays its *pro rata* share of the fees and expenses paid to the IRC which amount is reflected in the relevant fund’s financial statements.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions and the policies and procedures that it follows when performing its functions.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to us on conflicts of interest to which we are subject when managing the Funds. We are required under NI 81-107 to identify conflicts of interest inherent in our management of the Funds and to request input from the IRC on how we manage those conflicts of interest, as well as on our written policies and procedures outlining our management of those conflicts of interest. We must refer our proposed course of action in respect of any such conflict of interest matter to the IRC for its review. Certain matters require the IRC’s prior

approval. In most cases, however, the IRC will provide a recommendation to us as to whether or not, in the opinion of the IRC, our proposed action will provide a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide us with standing instructions.

The IRC will report annually to the Unitholders on its activities, as required by NI 81-107. The reports of the IRC will be available free of charge from us on request by contacting us at [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) and will be posted on our website at [www.lysanderfunds.com](http://www.lysanderfunds.com). The annual report of the IRC will be available on or about March 31 in each year.

Each member of the IRC receives a quarterly retainer and will be reimbursed for reasonable expenses incurred.

### **Use of Derivatives**

The Funds may use derivatives as described under the heading “Investment Strategies” in respect of each Fund in the Simplified Prospectus. The Funds must comply with the investment restrictions and practices in NI 81-102 in connection with their use of derivatives for hedging and non-hedging purposes. The decision as to the use of derivatives is made by a Fund’s portfolio manager. Each Fund has investment policies which includes the use of derivatives. The Manager’s Chief Investment Officer is responsible for the oversight of all derivative strategies used by the Funds.

Limits and controls on the use of derivatives are part of our Fund compliance regime and include reviews by analysts who ensure that the derivative positions of the Funds are within applicable policies. As the use of derivatives by the Funds is limited, we do not currently conduct simulations to test the portfolios under stress conditions.

### **Securities Lending, Repurchase or Reverse Repurchase Transactions**

The Funds may engage in securities lending, repurchase and reverse repurchase transactions to the extent permitted by the Canadian securities regulators. Prior to engaging in such transactions, the Funds will implement policies and practices to manage the risks associated with these types of transactions, and which will be reviewed at least annually by the Manager’s Chief Compliance Officer.

Specifically, where a Fund engages in such investments, it will:

- require that the other party to the transaction establish collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions) or sold (for repurchase transactions), or 102% of the cash paid for the securities (for reverse repurchase transactions), as the case may be;
- hold collateral consisting only of cash, qualified securities or securities that can be immediately converted into securities identical to those that are on loan. The collateral is marked to market daily;
- adjust the amount of collateral each business day to ensure the collateral’s value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions, as the case may be, to under 50% of the NAV (without including the collateral) of the Fund.

Should the Funds engage in securities lending, repurchase and reverse repurchase transactions, we will appoint an agent under the terms of a written agreement established and reviewed by us, in order to administer any securities lending, repurchase and reverse repurchase transactions for the Funds. Under the provisions of this agreement, the agent shall be required to:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;
- collect lending and repurchase fees and provide such fees to us;
- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that each Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and
- ensure that the market value of securities loaned or sold, as the case may be, by each Fund through lending and repurchase transactions does not exceed 50% of the NAV of the Fund (not including the collateral held by the Fund).

Should the Funds engage in such transactions, we will establish written policies and procedures that set out the objectives and goals for these particular types of investments. There are no limits or controls restricting these transactions and risk measurement or simulations are not used to test the portfolio under stress conditions. We are responsible for reviewing these investments on an as-needed basis and such review will be independent of the agent.

### **Short selling**

Each Fund may engage in short selling. A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for a Fund. Securities sold short may instead appreciate in value creating a loss for a Fund. A Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a Fund has borrowed securities may go bankrupt and a Fund may lose the collateral it has deposited with the lender. The Funds will adhere to controls and limits that are intended to mitigate these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by a Fund to 10% of the NAV of the Fund and the total market value of all securities sold short by a Fund to 50% of the NAV of the Fund (300% of the NAV of Lysander-Canso Credit Opportunities Fund in respect of “government securities” if the Fund obtains the relevant exemptive relief from applicable securities regulatory authorities).

### **Excessive Short-Term Trading**

The Lysander Funds are generally designed as long term investments. Some investors may seek to trade or switch frequently their holdings of a fund to try to take advantage of the difference between the fund’s

calculated NAV and the perceived value of the fund's portfolio holdings. This activity is sometimes referred to as "market timing". Frequent trading or switching in order to time the market can harm a fund's performance, affecting all the unitholders in the fund, by forcing the fund to keep cash or sell investments to meet redemptions. We use a combination of measures to detect and deter market timing activity in the Lysander Funds, including:

- monitoring trading activity in client accounts and, through this monitoring, declining certain trades when justified;
- imposing short-term trading fees; and
- when appropriate, applying fair value pricing to foreign portfolio holdings in determining the NAV of the Lysander Funds.

### **Short-Term Trading Fees**

If you redeem or switch Units of Lysander-Triasima All Country Long/Short Equity Fund within 30 days of purchase, we may charge a short-term trading fee on behalf of the Fund of up to 2% of the value of the Units redeemed or switched. This fee is payable to Lysander-Triasima All Country Long/Short Equity Fund. This is in addition to any switch fees that you may pay. Each additional switch counts as a new purchase for this purpose. We may waive the short-term trading fee charged by Lysander-Triasima All Country Long/Short Equity Fund for such trades if the size of the trade is small enough or if the short-term trade did not otherwise harm other Unitholders in the Fund.

These short-term trading fees will not be charged for a redemption of Units pursuant to a systematic withdrawal program or for redemptions by another investment fund, product or program approved by us or in other appropriate circumstances in our absolute discretion.

We do not believe that it is necessary to impose any short-term trading fees on Units of Lysander-Canso Credit Opportunities Fund as Units of this Fund are only redeemable on a monthly basis.

### **Proxy Voting Policies and Procedures**

A summary of proxy voting policies and procedures to which each Fund is subject is set out below. Copies of the complete proxy voting policies and procedures of the Manager and of each portfolio manager are available to you on request, free of charge, by calling us toll free at 1-877-308-6979, by sending an email to [manager@lysanderfunds.com](mailto:manager@lysanderfunds.com) or by mailing to Lysander Funds Limited at 3080 Yonge Street, Suite 3037, Toronto, Ontario M4N 3N1.

The Manager's proxy voting policy requires the portfolio managers to vote proxies in the best interests of the Funds and adopt proxy voting policies that are in line with the requirements in Part 10 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Each portfolio manager has adopted proxy voting policies that require it to vote proxies in the best interest of the applicable Fund. Canso will generally vote in accordance with the recommendations of the issuers' management for routine matters, and will consider non-routine matters on a case-by-case basis. Triasima has adopted the Benchmark Policy of Institutional Shareholders Services (ISS). The Chief Investment Officer of Triasima reviews all annual meeting reports and recommendations received from ISS to confirm it agrees with ISS' recommendations and may override any recommendations from ISS.

Each of the Funds is considered to have received a solicitation at the time it or the portfolio manager has received notice at its offices. In the event that the portfolio manager does not receive a solicitation within sufficient time to execute a vote or the proxy is not submitted to the issuer in the time required, the relevant Fund will not be able to vote on the matters solicited.

The voting record, if any, for the previous year ended June 30 will be available free of charge to any Unitholder of the Funds upon request at any time after August 31 of that year and will be made available on the Manager's website at [www.lysanderfunds.com](http://www.lysanderfunds.com).

## INCOME TAX CONSIDERATIONS

The following summary fairly presents the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, for the Funds and for individuals (other than trusts) who, for the purposes of the Tax Act, are resident in Canada and hold Units of the Funds as capital property. This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder (the "**Regulations**"), all specific proposals to amend the Tax Act and Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices and assessing policies of the Canada Revenue Agency. Except for the foregoing, this summary does not take into account or anticipate any change in law, whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account provincial or foreign income tax legislation or considerations.

Lysander-Triasima All Country Long/Short Equity Fund is expected to qualify as a "mutual fund trust" for purposes of the Tax Act by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust from the date it was created. This summary assumes that Lysander-Triasima All Country Long/Short Equity Fund will be a mutual fund trust and/or a "registered investment" for purposes of the Tax Act throughout its 2020 and later taxation years.

Lysander-Canso Credit Opportunities Fund is currently not a mutual fund trust nor a registered investment for purposes of the Tax Act. This summary assumes that not more than 50% of the Units of Lysander-Canso Credit Opportunities Fund will at any time be held by one or more "financial institutions" as defined under section 142.2 of the Tax Act. This summary also assumes that at no time will more than 20% of the Units (based on fair market value) be held by Unitholders who are non-residents of Canada under the Tax Act.

**This summary is of a general nature only, is not exhaustive of all possible income tax considerations and is not intended to be legal or tax advice. We do not describe the tax rules in detail or cover all the tax consequences that may apply. Accordingly, prospective investors should consult their own tax advisors about their individual circumstances.**

### Taxation of the Funds

In each year, each Fund will distribute its net income and net realized capital gains to investors to such an extent that it will not be liable for ordinary income tax under Part I of the Tax Act (after taking into account any applicable losses, capital gains refunds or available dividend tax credits of the Fund). Lysander-Canso Credit Opportunities Fund does not qualify as a mutual fund trust under the Tax Act and will not be entitled to the capital gains refund and may be subject to alternative minimum tax. In certain circumstances, losses of a Fund may be suspended or restricted and, as a result, would be unavailable to shelter income or capital gains.

Each of the Funds is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of

changes in the value of the U.S. dollar, or other relevant currency, relative to the Canadian dollar. Generally, a Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, such as cash-settled options, futures contracts, forward contracts, total return swaps and other derivative instruments, except where such derivatives are used to hedge investments of the Fund's capital property and there is sufficient linkage. A Fund will generally recognize gains or losses under a derivative contract when it is realized by the Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Fund at such times and such gains may be taxed as ordinary income. In general, a gain or loss from short selling is treated as income rather than as a capital gain or loss; however, a gain or loss from short selling "Canadian securities" as defined in the Tax Act will be treated as a capital gain or loss.

If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund.

If at any time in a year Lysander-Canso Credit Opportunities Fund and any other Fund that is not a mutual fund trust under the Tax Act throughout that year has a Unitholder that is a "designated beneficiary" within the meaning of the Tax Act, the Fund will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its "designated income" within the meaning of the Tax Act. A "designated beneficiary" includes a non-resident of Canada and could include certain of the Funds that invest in other Funds. Designated income may include income from certain derivatives, and will include gains and losses from dispositions of taxable Canadian property. Where a Fund is subject to tax under Part XII.2, provisions in the Tax Act are intended to afford Unitholders who are not designated beneficiaries with an appropriate refundable tax credit.

## **Taxation of Investors**

Income and capital gains (or capital losses) must be computed in Canadian dollars for tax purposes.

### ***Distributions of Income and Capital Gains***

The amount of any net income and the taxable portion of net realized capital gains of a Fund that is paid or payable to you in the year will generally be required to be included in your income for income tax purposes, whether such amount is reinvested in additional Units or paid in cash. This may include a Management Fee Distribution. If distributions are reinvested in additional Units of the Fund, the adjusted cost base ("**ACB**") of your Units will be increased by the amount reinvested. To the extent that distributions (including Management Fee Distributions) to you by a Fund in any year (other than as proceeds of disposition) exceed the net income and the net realized capital gains of the Fund for the year, such excess distributions will be a return of capital and will not be taxable in your hands but will reduce the ACB of your Series of Units. Where net reductions to the ACB of your Units would result in an ACB becoming a negative amount, such amount will be treated as a capital gain realized by you and your ACB of such Units will then be adjusted to nil. Any further net reductions in ACB to a negative amount will similarly be treated as capital gains for you.

Each Fund will designate, to the extent permitted by the Tax Act, the portion of the income distributed to investors as may reasonably be considered to consist of, respectively, (i) taxable dividends received by it on shares of taxable Canadian corporations and (ii) net taxable capital gains. Any such designated amount will be deemed for tax purposes to be a taxable dividend received by investors in the year and a taxable capital gain realized by investors in the year, respectively. The applicable dividend gross up and tax credit rules will apply to amounts designated as taxable dividends from taxable Canadian corporations. An enhanced dividend gross up and tax credit is available for certain eligible dividends from Canadian corporations.

In addition, each Fund may make designations in respect of its foreign source income so that, for purposes of computing any foreign tax credit to you, you will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Fund to that country that is equal to your share of the Fund's income from sources in that country.

### ***Redemptions and Other Dispositions***

Upon the actual or deemed disposition of a Unit of any of the Funds, including the redemption of a Unit on the exercise of the switch privilege, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit exceed (or are exceeded by) the aggregate of the ACB to you of the Unit and any costs of disposition. Generally, one half of a capital gain or a capital loss is taken into account in determining taxable capital gains and allowable capital losses. Allowable capital losses may only be deducted against taxable capital gains, subject to detailed rules in the Tax Act. Allowable capital losses may be carried back three years and carried forward indefinitely.

When a Unitholder redeems all or any of the Units of a Fund held by such Unitholder, the Trustee shall have the sole discretion to distribute all or any portion of the Fund's net capital gains to such Unitholder, provided that the amount of the net realized capital gains allocated to a particular redeeming Unitholder shall not exceed the amount, if any, by which the amount payable on the redemption of the Units exceeds the adjusted cost base of the Units being redeemed. The balance of the amount paid to such Unitholder at the time of redemption shall be paid as proceeds of redemption.

### ***Adjusted Cost Base***

For the purpose of determining the ACB to you of Units of a Series of Fund when a Unit of Series of a Fund is acquired, whether on the reinvestment of distributions or otherwise, the ACB of the Unit is determined by averaging the cost of the newly acquired Unit with the ACB to you of all other identical Units of that Fund held by you immediately before that time. The reinvestment of distributions may cause your ACB per Unit to change.

### ***Purchasing Units Prior to Distributions***

The NAV per Unit of the applicable Series at any time may reflect accrued income or gains that have not yet been realized and/or distributed. If you purchase a Unit before a distribution is made, you will be taxed on that distribution even though the Fund may have earned the income or realized the gain giving rise to the distribution before you purchased the Unit. The effect will be greater if you purchase Units close to a distribution date.

### *Alternative Minimum Tax*

You may be liable for alternative minimum tax in respect of Canadian dividends and realized capital gains (including capital gains distributions received). You should consult your own tax advisors regarding this potential tax.

### *Registered Plans*

Registered Plans are, generally, not subject to tax on income earned on, and proceeds realized on the disposition of, Units of Lysander-Triasima All Country Long/Short Equity Fund as long as the income and proceeds remain in the Registered Plan. Special rules apply to registered education savings plans and registered disability savings plans, while withdrawals from a tax free savings account are not subject to tax.

Investors who choose to purchase Units of a Fund through a Registered Plan should consult their own tax advisors regarding the tax treatment of contributions to, and acquisitions of property by, such Registered Plan.

Lysander-Canso Credit Opportunities Fund is not currently a registered investment nor a mutual fund trust for purposes of the Tax Act. As a result, Units of Lysander-Canso Credit Opportunities Fund are not qualified investments under the Tax Act for Registered Plans. Registered Plans and their planholders are generally subject to severe adverse tax consequences when a Registered Plan acquires and holds a non-qualified investment.

## **MATERIAL CONTRACTS**

The material contracts that have been entered into by or on behalf of the Funds are as follows:

- the Declaration of Trust by the Manager, as amended, in its capacity as trustee, as described under “Responsibility for Mutual Fund Operations”;
- the Management Agreement between the Manager and each of the Funds, as amended, as described under “Responsibility for Mutual Fund Operations”;
- the Custodian Agreement between the Manager, as trustee of the Funds, and CIBC Mellon Trust Company, as custodian, as amended, as described under “Responsibility for Mutual Fund Operations”;
- the Canso IMA between the Manager and Canso, as portfolio manager to Lysander-Canso Credit Opportunities Fund, as amended, as described under “Responsibility for Mutual Fund Operations”; and
- the Triasima IMA between the Manager and Triasima, as portfolio manager to Lysander-Triasima All Country Long/Short Equity Fund as amended, as described under “Responsibility for Mutual Fund Operations”.

Copies of the foregoing may be inspected during ordinary business hours on any business day at the head office of the Funds.

**CERTIFICATE OF THE FUNDS, THE MANAGER AND THE PROMOTER**

**Lysander-Canso Credit Opportunities Fund  
Lysander-Triasima All Country Long/Short Equity Fund**

**(collectively, the “Funds”)**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 11th day of May, 2020.

*(Signed) “B. Richard Usher-Jones”*

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B. Richard Usher-Jones  
Chief Executive Officer

*(Signed) “Rajeev Vijn”*

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Rajeev Vijn  
Chief Financial Officer

On behalf of the Board of Directors of Lysander Funds Limited,  
the trustee, manager and promoter of the Funds

*(Signed) “John Carswell”*

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John Carswell  
Director

*(Signed) “Timothy Hicks”*

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Timothy Hicks  
Director

## ANNUAL INFORMATION FORM

### **Lysander-Canso Credit Opportunities Fund Lysander-Triasima All Country Long/Short Equity Fund**

*Lysander Funds Limited*  
3080 Yonge Street, Suite 3037  
Toronto, Ontario M4N 3N1  
Telephone: 1-877-308-6979  
Facsimile: 416-855-6515

[www.lysanderfunds.com](http://www.lysanderfunds.com)

You can find more information about each Fund in the Fund's Simplified Prospectus, and each Fund's management report of fund performance and financial statements, once available. For a free copy of these documents, call us toll free at 1-877-308-6979 or ask your dealer. You may find these documents and other information about the Funds, such as information circulars and material contracts, at **[www.lysanderfunds.com](http://www.lysanderfunds.com)** or at **[www.sedar.com](http://www.sedar.com)**.