



**INDEPENDENT REVIEW COMMITTEE
2019 ANNUAL REPORT TO UNITHOLDERS OF**

<p>Canso Credit Income Fund Lysander TDV Fund Lysander-Canso Balanced Fund Lysander-Canso Corporate Value Bond Fund Lysander-Canso Bond Fund Lysander-Canso Short Term and Floating Rate Fund Lysander-Canso Equity Fund Lysander-Canso U.S. Credit Fund Lysander-Canso Broad Corporate Bond Fund Lysander-Crusader Equity Income Fund</p>	<p>Lysander-18 Asset Management Canadian Equity Fund Lysander-Seamark Balanced Fund Lysander-Seamark Total Equity Fund Lysander-Slater Preferred Share Dividend Fund Lysander-Slater Preferred Share <i>Activ</i>ETF Lysander-Triasima All Country Equity Fund Lysander Balanced Income Fund (formerly Lysander-Triasima Balanced Income Fund) Lysander-Fulcra Corporate Securities Fund</p>
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The Independent Review Committee (the “IRC”) of the funds listed above (the “Lysander Funds”) is pleased to submit this Report to unitholders of the Lysander Funds for the year ended December 31, 2019. The IRC was formally established on June 23rd, 2010.

MEMBERS OF THE LYSANDER INDEPENDENT REVIEW COMMITTEE

The following chart sets forth the name of each member of the IRC as of the date of this report, such member’s length of service on the IRC and such member’s other IRC memberships:

Member Name	Length of Service	Does Member serve on the IRC of any other Fund Family?
Paul E. Fahey (Chair)	First appointed on June 23, 2010	Yes, for affiliate Canso Fund Management Ltd.
Jim McGill	First appointed on July 12, 2011	Yes, for affiliate Canso Fund Management Ltd.
Bill Schultz	First appointed on December 11, 2014	Yes, for affiliate Canso Fund Management Ltd.
Ruth Gould	First appointed on January 31, 2017	Yes, for affiliate Canso Fund Management Ltd.

Each member of the IRC is independent of the Lysander Funds and Lysander Funds Limited (the “Manager”), the manager of the Lysander Funds.

SECURITY HOLDINGS OF THE LYSANDER IRC

- (a) As of December 31, 2019, the percentage of outstanding units of any series or class of the Lysander Funds owned directly or indirectly, in aggregate by all members of the IRC, did not exceed 10%.

- (b) As of December 31, 2019, no member of the IRC beneficially owned, directly or indirectly, any class of voting or equity securities of the Manager.
- (c) As of December 31, 2019, no member of the IRC beneficially owned directly or indirectly, any class or series of voting or equity securities of a person or company that provides services to the Lysander Funds or to the Manager.

IRC COMPENSATION AND INDEMNITIES

The aggregate compensation paid by the Lysander Funds to the Lysander IRC for the period of January 1, 2019 to December 31, 2019, was \$ 46,760. The amount was allocated among the Lysander Funds in proportion to the Lysander Funds' assets in a manner that the Manager considers to be fair and reasonable.

The initial IRC compensation was set by the Manager. Thereafter, the members of the IRC review and determine the IRC compensation on an annual basis while taking the following into consideration:

- the number, nature and complexity of the investment funds for which the IRC acts;
- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy that is expected from each member;
- industry best practices, including industry averages and surveys on IRC compensation;
- the best interest of the investment funds; and
- the recommendation, if any, of the Manager.

There was one expense reimbursed from the Lysander Funds to the IRC members during the period from January 1, 2019 to December 31, 2019 in the amount of \$84.18 (inclusive of HST). No indemnities were paid to the IRC members during this period.

CONFLICT OF INTEREST MATTERS

National Instrument 81-107 – *Independent Review Committee for Investment Funds* requires the IRC to review all conflict of interest matters identified and referred to the IRC by the Manager and, if the IRC considers all applicable conditions are met, to give an approval or a positive recommendation, depending on the nature of the conflict of interest matter. In certain cases, the IRC may give its approval or positive recommendation in the form of standing instructions to the Manager to enable the Manager to act in the particular conflict of interest matter on a continuing basis.

Approvals

As permitted by Canadian securities legislation, the Lysander Funds may be relieved from certain investment restrictions and practices in securities legislation provided that, among other things, the approval of the IRC is obtained before engaging in the relevant transaction. In accordance with the requirements in National Instrument 81-102 *Investment Funds* and NI 81-107 and exemptive relief granted by the Canadian securities regulatory authorities, for the period from January 1, 2019 to December 31, 2019, the IRC has provided approval for the Lysander Funds, subject to terms and

conditions, to purchase securities from or sell securities to another investment fund or discretionary account managed by the Manager or an affiliate of the Manager (referred to as inter-fund trades or cross-trades).

The IRC is required to advise the applicable securities regulatory authorities if it determines that a cross trade was not made in accordance with the conditions of its approval. No such reports to securities regulatory authorities were required in 2019.

Positive Recommendations

Below is a brief summary of other conflict of interest matters that have been identified and referred by the Manager to the IRC, and for which the IRC gave its positive recommendation, for the period from January 1, 2019 to December 31, 2019:

- Valuation (of portfolio securities)
- Short term trading
- Employee trading
- Gift and entertainment
- NAV error correction
- Allocation of fund expenses
- Allocation of investment opportunities
- The change in portfolio manager for Lysander Balanced Income Fund (formerly Lysander-Triasima Balanced Income Fund) from Triasima Portfolio Management Inc. to Canso Investment Counsel Ltd., an affiliate of the Manager

The IRC is not aware of any instance where the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not provide a positive recommendation or where the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation.

Respectfully submitted this 26th day of March, 2020.

(signed) "Paul E. Fahey"

Paul E. Fahey

Chairman of the Independent Review Committee