

Semi-Annual Management Report of Fund Performance
As at June 30, 2020

Lysander-18 Asset Management Canadian Equity Fund



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A Note About Forward Looking Statements

This semi-annual Management Report of Fund Performance includes certain statements that are “forward looking statements”. All statements, other than statements of historical fact, included in this Management Report of Fund Performance that address activities, events or developments that the Fund expects or anticipates will or may occur in the future, including such things as anticipated financial performance, are forward looking statements. The words “may”, “could”, “would”, “should”, “believe”, “plan”, “anticipate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward looking statements.

These forward looking statements are subject to various risks and uncertainties, including the risks described in the simplified prospectus of the Fund, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed.

Readers are cautioned not to place undue reliance on these forward looking statements. All opinions contained in forward looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

The Fund has no specific intention of updating any forward looking statements whether as a result of new information, future events or otherwise, except as required by securities legislation. Certain research and information about specific holdings in the Fund, including any opinion, is based upon various sources believed to be reliable, but it cannot be guaranteed to be current, accurate or complete. It is for information only, and is subject to change without notice.

About This Report

This semi-annual Management Report of Fund Performance of Lysander-18 Asset Management Canadian Equity Fund (the “Fund”) contains financial highlights for the period ended June 30, 2020 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, 2020. 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 Street, Suite 3037, Toronto, Ontario, M4N 3N1, by visiting our website at www.lysanderfunds.com or at SEDAR at www.sedar.com.

Unitholders may also contact Lysander Funds Limited using one of these methods to obtain a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Investment objective

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

Investment Strategies

The Fund’s portfolio manager is 18 Asset Management Inc. (“Portfolio Manager” or “18AM”). The Fund uses a hybrid style strategy, with equal allocations to Offence (growth and momentum) and Defense (lower volatility, income, quality) styles. The Portfolio Manager employs a bottom-up systematic stock selection process to buy and sell securities within each style. The Fund will not be leveraged. The Fund may invest up to

30% of its assets in foreign securities. The Fund’s investments will not be constrained by sector considerations. 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

Overall, the Fund’s net performance for the first half of the year was a decline of 11.8% and 11.3% for Series A and Series F respectively. The Fund is a style diversified portfolio, with exposure to companies with Offence characteristics (growth and momentum) and Defence characteristics (income and value). The story for the first half of 2020 is a tale of two quarters. The first quarter saw large equity market declines in response to the onset of the global coronavirus pandemic. Swift response by governments to enact huge stimulus measures served to at least temporarily, stem the economic losses. As a result, equity markets experienced a robust rebound in the second quarter. Year-to-date, the Offence style was the better performing style, heavily driven by the Information Technology sector as demand for remote technology soared. The Defence style lagged its counterpart and the market overall, as exposure to the underperforming real estate and financials sectors weighed on that style. Top performers for the portfolio include Pan American Silver (+34.7%), Constellation Software (+21.8%) and The Stars Group (+20.7%). Bottom contributors include Air Canada (-67.2%), Suncor (-45.1%) and RioCan (-43.8%).

The net assets of the Fund are approximately \$4.2 million as of June 30, 2020, down from approximately \$5.3 million at the

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beginning of the year. The decrease is comprised of market value declines of the securities in the Fund, as well as net redemptions of approximately \$559 thousand.

The positioning of the Fund by style, market capitalization and sector are consistent with the Fund's fundamental investment objectives and strategies. 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 reasonably be expected.

The Fund did not borrow money during the year except for immaterial short-term cash overdrafts.

Recent Developments

18 AM's investment philosophy is founded on empirical research that supports investing in companies with attractive income statement and balance sheet fundamentals. Additionally, 18AM views style diversification as an effective risk management lever which can provide the Fund with prudent return generation. The Fund's strategy is to maintain a relatively equal allocation to two opposing styles – Offence (companies having attractive growth and momentum characteristics) and Defense (companies with desirable income and quality characteristics). In addition, the Fund had exposure across a majority of sectors throughout the year. There have been no changes to this investment philosophy.

Following stellar performance in 2019, the broad Canadian Equity market, as represented by the TSX Index, was down 7.5% for the first half of 2020. At face value, this decline is significant. However, as compared to the intra-period low that had the TSX down as much as 37% in February, the June 30 levels are an impressive achievement. The pandemic fallout has taken a toll on the fundamental profile of the TSX. Despite the overall market decline, valuations have become more expensive as company earnings have fallen faster than company stock prices. The price to earnings ratio is currently 21.4 times earnings versus 15.1 times at the start of the year. Year over year earnings are expected to contract by more than 30% for 2020 versus 2019. With a heightened uncertainty surrounding the pandemic, governments and businesses are reacting and adjusting in real time to the changing conditions. As a result, any economic and earnings forecasts will be subject to substantial revisions and should be viewed with caution.

Effective Jan 1, 2020 the management fees of Series A and Series F of the Fund were reduced from 2.00% and 1.00% to 1.80% and 0.80% respectively, exclusive of taxes.

The Fund's future performance will be affected by changes in the financial condition of the companies held as well as the general condition of the stock market overall; the degree to which these future changes will occur are highly uncertain.

There have been no changes to the Manager or Portfolio Manager, or change of control of the Manager, or of the Fund in the period. There have been no actual or planned reorganizations, mergers or similar transactions.

There were no changes to the membership of the Fund's Independent Review Committee ("IRC").

Related Party Transactions

The Manager provides or arranges 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 Fund paid \$16,341 (including HST) in management fees to the Manager for the period ended June 30, 2020 (June 30, 2019 - \$23,480).

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.

The Manager paid \$9,485 (including HST) to the Portfolio Manager for the period ended June 30, 2020 (June 30, 2019 - \$12,592).

The Manager relied, or may rely on standing instructions from the IRC in respect of securities traded amongst mutual funds, closed end funds, managed accounts or pooled funds managed by the Manager or an affiliate of the Manager. In such cases the Manager is required to comply with the Manager's written policies and procedures presented to the IRC and provide periodic reports to the IRC in accordance with National Instrument 81-107.

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Financial Highlights

Series A

Period ended	30-Jun-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹						
Net assets, beginning of period	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83	\$ 10.66	\$ 11.37
Operations:						
Total revenue	0.19	0.38	0.36	0.35	0.36	0.35
Total expenses	(0.13)	(0.33)	(0.32)	(0.31)	(0.28)	(0.29)
Realized gains (losses)	(0.09)	0.74	0.12	-	0.07	(0.06)
Unrealized gains (losses)	(1.98)	2.11	(1.36)	0.78	1.26	(0.82)
Total increase (decrease) from operations²	\$ (2.01)	\$ 2.90	\$ (1.20)	\$ 0.82	\$ 1.41	\$ (0.82)
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.02)	(0.01)	(0.03)	(0.06)	(0.04)	(0.02)
From capital gains	-	(0.51)	(0.04)	-	-	-
Total distributions^{2 3}	\$ (0.02)	\$ (0.52)	\$ (0.07)	\$ (0.06)	\$ (0.04)	\$ (0.02)
Net assets, end of period^{2 3}	\$ 11.49	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83	\$ 10.66

Ratios and supplemental data						
Net asset value ⁴	\$ 157,787	\$ 300,049	\$ 415,393	\$ 464,596	\$ 383,146	\$ 300,004
Units outstanding	13,731	23,003	36,796	37,007	32,378	28,155
Management expense ratio ⁵	% 2.14	% 2.55	% 2.56	% 2.55	% 2.53	% 2.53
Management expense ratio before waivers or absorption	2.64	2.83	2.87	2.75	3.11	3.92
Portfolio turnover rate ⁶	22.91	62.18	47.6	74.2	92.9	94.8
Trading expense ratio ⁷	0.04	0.1	0.1	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 11.49	\$ 13.04	\$ 11.29	\$ 12.55	\$ 11.83	\$ 10.66

Notes

- 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.
- Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- Distributions were paid in cash or reinvested in additional units, or both.
- This information is provided at the end of the period shown.
- The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period.
- The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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Series F

Period ended	30-Jun-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹						
Net assets, beginning of period	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02	\$ 10.86	\$ 11.59
Operations:						
Total revenue	0.21	0.41	0.36	0.36	0.37	0.36
Total expenses	(0.06)	(0.19)	(0.18)	(0.18)	(0.16)	(0.16)
Realized gains (losses)	(0.25)	0.61	0.12	-	0.05	(0.35)
Unrealized gains (losses)	(1.35)	1.61	(1.38)	0.75	1.09	(0.59)
Total increase (decrease) from operations²	\$ (1.45)	\$ 2.44	\$ (1.08)	\$ 0.93	\$ 1.35	\$ (0.74)
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.13)	(0.23)	(0.17)	(0.18)	(0.22)	(0.18)
From capital gains	-	(0.64)	(0.04)	-	-	-
Total distributions^{2 3}	\$ (0.13)	\$ (0.87)	\$ (0.21)	\$ (0.18)	\$ (0.22)	\$ (0.18)
Net assets, end of period^{2 3}	\$ 11.58	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02	\$ 10.86
Ratios and supplemental data						
Net asset value ⁴	\$ 2,924,050	\$ 3,815,598	\$ 2,711,951	\$ 3,002,912	\$ 2,698,702	\$ 1,960,285
Units outstanding	252,415	288,714	236,250	235,065	224,481	180,539
Management expense ratio ⁵	% 1.00	% 1.42	% 1.43	% 1.42	% 1.41	% 1.41
Management expense ratio before waivers or absorption	1.59	1.74	1.73	1.61	1.97	2.80
Portfolio turnover rate ⁶	22.91	62.18	47.6	74.2	92.9	94.8
Trading expense ratio ⁷	0.04	0.1	0.1	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 11.58	\$ 13.22	\$ 11.48	\$ 12.77	\$ 12.02	\$ 10.86

Notes

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Series O

Period ended	30-Jun-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹						
Net assets, beginning of period	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11	\$ 10.92	\$ 11.63
Operations:						
Total revenue	0.20	0.38	0.35	0.35	0.35	0.33
Total expenses	(0.01)	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)
Realized gains (losses)	(0.27)	0.63	0.12	-	0.03	0.01
Unrealized gains (losses)	(1.36)	1.76	(1.41)	0.75	1.15	(0.78)
Total increase (decrease) from operations²	\$ (1.44)	\$ 2.73	\$ (0.98)	\$ 1.06	\$ 1.49	\$ (0.47)
Distributions:						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From dividends	(0.20)	(0.36)	(0.3)	(0.3)	(0.31)	(0.24)
From capital gains	-	(0.64)	(0.02)	-	-	-
Total distributions^{2 3}	\$ (0.20)	\$ (1.00)	\$ (0.32)	\$ (0.3)	\$ (0.31)	\$ (0.24)
Net assets, end of period^{2 3}	\$ 11.67	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11	\$ 10.92
Ratios and supplemental data						
Net asset value ⁴	\$ 1,098,129	\$ 1,232,244	\$ 995,532	\$ 1,078,021	\$ 990,412	\$ 873,650
Units outstanding	94,103	92,392	85,922	83,751	81,781	79,977
Management expense ratio ⁵	% 0.10	% 0.29	% 0.30	% 0.29	% 0.28	% 0.27
Management expense ratio before waivers or absorption	0.71	0.61	0.60	0.48	0.86	1.70
Portfolio turnover rate ⁶	22.91	62.18	47.6	74.2	92.9	94.8
Trading expense ratio ⁷	0.04	0.1	0.1	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 11.67	\$ 13.34	\$ 11.59	\$ 12.87	\$ 12.11	\$ 10.92

Notes

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Management Fees

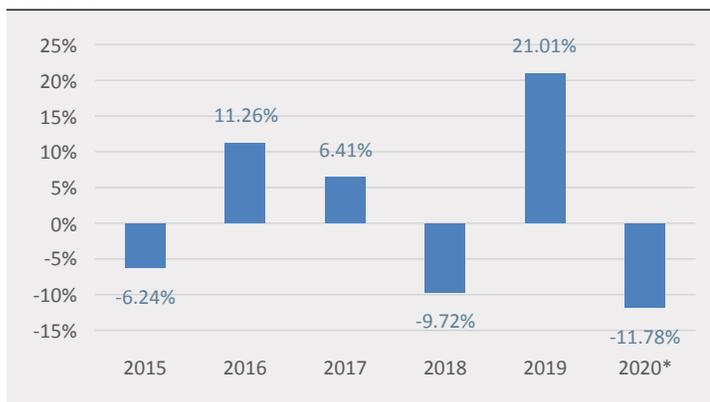
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a management fee, based on the net asset value of each Series, calculated daily and payable monthly. Effective January 1, 2020, the Fund paid a management fee of 1.80% (formerly 2.00%) per annum for Series A units and 0.80% (formerly 1.00%) per annum for Series F units. No management fee is charged to the Fund with respect to Series O units, but investors are charged a negotiated management fee.

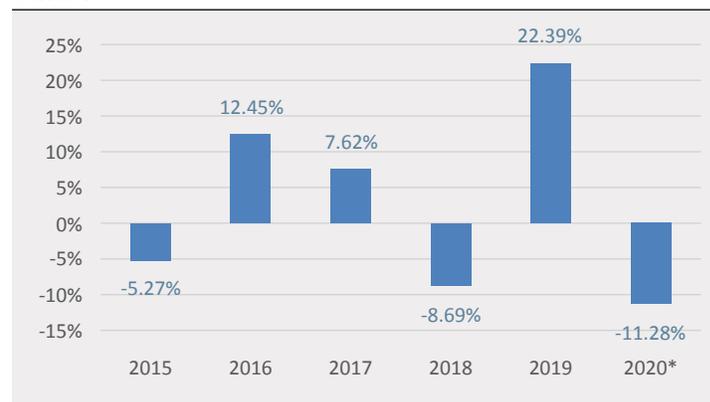
Service fees or trailing commissions of a maximum of 1.00% per annum were paid on Series A units to dealers. This comprises approximately 55.6% of the management fee of Series A units.

Year-by-Year Returns

Series A



Series F



Series O



Past Performance

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

* For the period January 1 to June 30

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Summary of Investment Portfolio

	% of NAV			% of NAV	
Top 25 Issuers			Asset Mix		
Alamos Gold Inc.	%	3.9	Canadian Equities	%	99.2
Kinaxis Inc.		3.8	Cash and Cash Equivalents		0.5
Descartes Systems Group Inc.		3.8	Other Assets less Liabilities		0.3
Royal Bank of Canada		3.5	Total	%	100.0
Kirkland Lake Gold Inc.		3.5	Sector		
Pan American Silver Corp.		3.5	Cash and Cash Equivalents	%	0.5
Power Corp. of Canada		3.4	Consumer Discretionary		6.4
Kinross Gold Corp.		3.4	Consumer Staples		3.3
Canadian Imperial Bank of Commerce		3.4	Energy		18.3
National Bank		3.4	Financials		30.1
Brookfield Renewable Partners LP		3.4	Industrials		3.3
Sun Life Financial Inc.		3.4	Information Technology		10.8
Bank of Nova Scotia		3.4	Materials		14.3
Metro Inc.		3.3	Other Assets less Liabilities		0.3
Toronto Dominion Bank		3.3	Real Estate		3.3
Canadian Apartment Property REIT		3.3	Telecommunication Services		3.1
Canadian Pacific Railway Ltd.		3.3	Utilities		6.3
Alimentation Couche-Tard Inc.		3.3	Total	%	100.0
Emera Inc.		3.2			
Constellation Software Inc.		3.2			
Enbridge Inc.		3.2			
Quebecor Inc.		3.1			
Bank of Montreal		3.1			
BCE Inc.		3.1			
Thomson Reuters Corporation		3.1			
Total	%	84.3			



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