

Annual Management Report of Fund Performance

As at December 31, 2020

Lysander-Triasima All Country Long/Short Equity Fund



TRIASIMA



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A Note About Forward Looking Statements

This 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 annual Management Report of Fund Performance of Lysander-Triasima All Country Long/Short Equity Fund (the “Fund”) contains financial highlights for the year ended December 31, 2020 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 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 St., 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 seek to provide long-term returns that are not correlated to major stock market indices by investing in, or gaining exposure to, primarily equity securities anywhere in the world. The Fund will use alternative investment strategies such as engaging in short sales and purchasing securities on margin or with borrowed funds.

Investment Strategies

The Fund’s portfolio manager is Triasima Portfolio Management Inc. (“Portfolio Manager” or “Triasima”). The Fund seeks long and short exposure to a diversified portfolio comprised primarily

of equity securities which involves simultaneously investing in equity securities (investing long) that the portfolio manager expects to increase in value and selling equity securities (investing short) that the portfolio manager expects to decrease in value relative to their comparables and/or where the portfolio manager expects these positions will reduce portfolio risk. The Fund is not constrained by geographic or sector considerations and could be substantially exposed to equity securities of issuers not in developed markets. From time to time, the Fund may also have exposure to depositary receipts, debt securities convertible into common stock, fixed income securities of governments, government agencies, supranational agencies, companies, trusts, limited partnerships and other funds including ETFs. More details are contained in the Fund’s simplified prospectus.

Risks

The risks of this Fund remain as discussed in the Fund’s most recent simplified prospectus.

Results of Operations

The Fund had returns for the period from the inception of the Fund of 8.1% for Series A and 6.8% for Series F.

The Lysander-Triasima All Country Long/Short Equity Fund’s Series A and F performance are 8.1% and 6.8%, respectively, for the period from inception to year end 2020, versus 2.5% for the performance benchmark. The performance benchmark is the greater of i) the return generated by Canada 91-day Index, plus 3% per year or ii) a floor of 4% per year.

This performance is consistent with the Fund’s fundamental investment objective and strategies. The net assets of the Fund

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increased to \$6.9 million at December 31, 2020 from its inception on May 11, 2020

The excess return of the Fund over the performance benchmark can primarily be ascribed to the strong showing by the long holdings, with some securities recording very large advances. This is a normal occurrence for an equity long/short portfolio during a strong equity market such as the period since the inception of the Fund, May 11 to December 31, 2020, when the MSCI ACWE was up 20.3%. Conversely, during such strong periods for the equity market, the short positions will drag back the Fund performance since they are unlikely to witness stock prices declines as a group.

Amongst the standout long holdings, performance-wise, we note Sea Limited (Singapore, e-commerce), Goodfood Market (Canada, meal kits), Freshpet (United States, pet food), Ballard Power Systems (Canada, fuel-cell products manufacturer), Upwork (United States, online business marketplace), and Nuvei (Canada, payments processing). This diverse group of six companies from five different sectors was up an incredible 108% on average and contributed 12.7% to the Fund performance.

The primary detractors to performance were short positions moving up in price. Core Laboratories (Netherlands, oil services), Methanex (Canada, methanol), Novagold Resources (Canada, gold mining), and Tata Motors (India, car manufacturer) were the main culprits, each with a negative return contribution of over 1%.

The cash reserve also negatively impacted the Fund's return. This cash reserve emanates from two sources: the capital contributed to the Fund but not invested in long positions, and the proceeds from short sales. The negative contribution from the cash reserve was 2.3%. The number is negative since a portion was held in American dollars, with that currency steadily losing value relative to the Canadian dollar since inception in May 2020.

There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or market conditions that affected performance beyond what would be reasonably expected or have been described below.

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

Recent Developments

The year 2020 started on a good note, staying with the themes and trends from the previous year. The world economy was

operating at a record level and equity markets were climbing. But this state-of-affairs ended abruptly due to COVID-19.

The economies of countries everywhere dramatically collapsed. Job losses were massive and immediate. Concurrently to these developments, an equity market sell-off accelerated into a full-fledged market crash as the world began to assess the impact of the Great Lockdown. While infectious cases were emerging nearly everywhere, the MSCI ACWI, a widely used and broad equity benchmark, dropped 33% over the course of only 31 days, from February 22 to March 23.

Central bankers were quick to implement monetary measures to ease the extraordinary shock caused by this Great Lockdown. Short-term interest rates were driven down to near zero levels nearly everywhere. The sudden recession also caused long-term interest rates to fall and yield curves to adjust downward.

Governments did not sit idly either, urgently setting up various fiscal measures to help laid-off workers and corporations. A combination of tax deferrals, cash handouts to citizens, and corporate loans were widely endorsed. The consequences have been tremendous jumps in government deficits and deteriorating debt to GDP ratios.

November 2020 witnessed good news regarding the COVID-19 with news of new vaccines by pharmaceutical companies Pfizer and Moderna. At year end, these vaccines, and others, are in the process of being rolled out worldwide.

Following the March crash, equity markets quickly rebounded in April and moved up to new all-time records later in the year. The MSCI ACWI has been up 22% from the inception of the Fund to year end. From a regional perspective, equity markets in North America, Europe, and in the advanced Asian countries all moved up about 20%. Emerging markets did even better with a 30% jump.

Again, using the MSCI ACWI as proxy for the equity market, the cyclical Materials, Industrial, and Consumer Discretionary sectors led the way with gains averaging 33%, while the growth-oriented Technology sector was up 31%. Lagging were the customarily defensive sectors: Consumer staples, Health Care, and Utilities, up 7% on average. Real Estate was last, up 6%. This sector may be facing serious issues of overcapacity and secular changes from workforce redistribution and lifestyle changes.

Fund turnover has been elevated since inception of the Fund as the initial and subsequent contributions were deployed into long positions, with commensurate short positions established

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In terms of portfolio structure, the Fund concluded the year 2020 with a long/market value ratio of 100%. The important short/long ratio is very low at 22%, near the minimum of 20%, due to ongoing equity market strength.

At the sector level, the largest net long positions are held by the cyclical Industrial, Consumer Discretionary, and Financial sectors, and the growth-oriented Technology sector. All four sectors average a 14% net long position, relative to the market value of the Fund. The only sector with a net short position is Real Estate, at -4% of the Fund's market value.

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

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 Manager receives a management fee for these services. The fee is calculated based on a percentage of the net asset value of the Fund as disclosed in the simplified prospectus.

The Manager paid \$15,234 (excluding HST) to the Portfolio Manager for the year ended December 31, 2020 (December, 2019 - Nil).

The Manager is also entitled to receive a performance fee from the Fund (the "Performance Fee") under certain conditions as described in the Fund's most recently filed prospectus. For the period ended December 31, 2020, the Performance Fee accrued payable by the Fund was Nil (including HST) (December 31, 2019 - Nil).

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 will also pay the Portfolio Manager a percentage of any Performance Fee that the Manager receives from the Fund, such percentage to be agreed upon between the Manager and the Portfolio Manager from time to time.

The Manager paid \$8,243 (including HST) to the Portfolio Manager for the year ended December 31, 2020 (December, 2019 - Nil)

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*

Year ended	31-Dec-2020	
Net assets per unit¹		
Net assets, beginning of year	\$	10.00
Operations:		
Total revenue		(2.29)
Total expenses		(0.15)
Realized gains (losses)		(0.56)
Unrealized gains (losses)		3.63
Total increase (decrease) from operations²	\$	0.63
Distributions:		
From income (excluding dividends)	\$	-
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	-
Net assets, end of year^{2 3}	\$	10.81
Ratios and supplemental data		
Net asset value ⁴	\$	30,618
Units outstanding		2,832
Management expense ratio ⁵	%	2.24
Management expense ratio before waivers or absorption		3.44
Portfolio turnover rate ⁶		281.4
Trading expense ratio ⁷		0.8
Net asset value per unit, end of year	\$	10.81

Notes

* The Fund commenced operations on May 11, 2020 and accordingly prior period numbers are not available.

1 The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.

2 Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 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.

6 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.

7 The trading expense ratio 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*

Year ended	31-Dec-2020	
Net assets per unit¹		
Net assets, beginning of year	\$	10.00
Operations:		
Total revenue		(2.20)
Total expenses		(0.09)
Realized gains (losses)		(0.58)
Unrealized gains (losses)		3.13
Total increase (decrease) from operations²	\$	0.26
Distributions:		
From income (excluding dividends)	\$	-
From dividends		-
From capital gains		-
Total distributions^{2 3}	\$	-
Net assets, end of year^{2 3}	\$	10.68
Ratios and supplemental data		
Net asset value ⁴	\$	6,906,079
Units outstanding		646,491
Management expense ratio ⁵	%	1.22
Management expense ratio before waivers or absorption		2.24
Portfolio turnover rate ⁶		281.4
Trading expense ratio ⁷		0.8
Net asset value per unit, end of year	\$	10.68

Notes

* The Fund commenced operations on May 11, 2020 and accordingly prior period numbers are not available.

1 The information is derived from the Fund's audited annual financial statements. All per unit figures presented are referenced to net assets determined in accordance to IFRS.

2 Net assets and distributions are based on the actual numbers of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were paid in cash or reinvested in additional units, or both.

4 This information is provided at the end of the period shown.

5 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.

6 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is calculated based on the lesser of purchases or sales of securities divided by the weighted average market value of portfolio securities, excluding short term securities.

7 The trading expense ratio 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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Management Fees

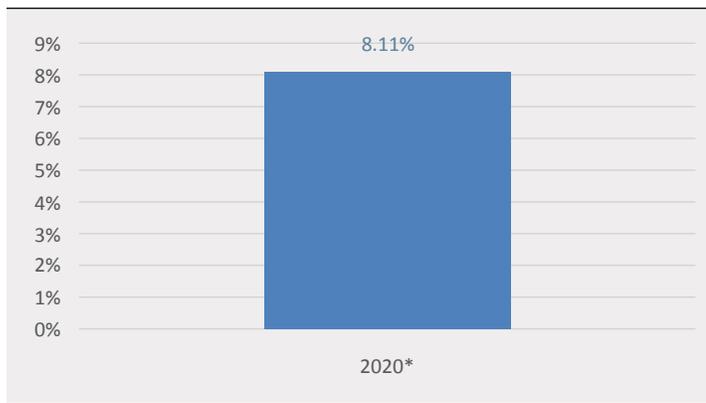
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee of 1.90% per annum for Series A units and 0.90% per annum for Series F units.

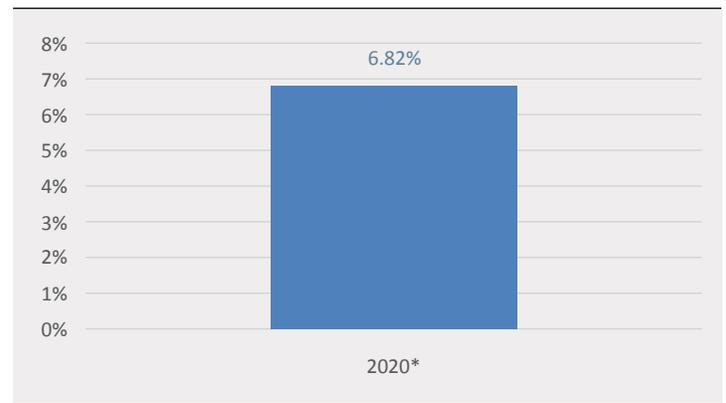
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 52.6% of the management fee of Series A units.

Year-by-Year Returns

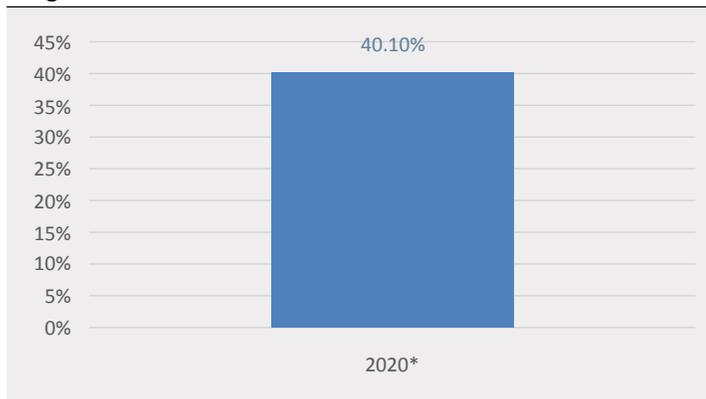
Series A



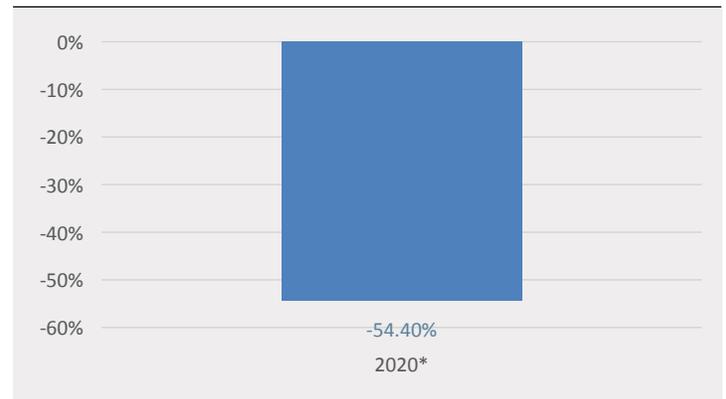
Series F



Long Portfolio



Short Portfolio



* For the period May 11 to December 31

Past Performance

The Fund became a reporting issuer on May 11, 2020. 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.

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Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with the Fund's index ("Index" which is the greater of i) the Canadian Government Bonds 3 Month Bill + 3% per annum, or ii) 4% per annum. The Canadian Government Bonds 3 Month Bill Index tracks the performance of generic 3-month Government of Canada bills. The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For period ended December 31, 2020		Since Inception ²
Annual Compound Return		
Series A ¹	%	8.11
Series F ¹		6.82
Long Portfolio ¹		40.10
Short Portfolio ¹		(54.40)
Index	%	2.54

Notes

¹ Returns are based on the net asset value per unit of the relevant series of the Fund and assume that all distributions were reinvested.

² Period starting from May 11, 2020.

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Long positions:			Canadian Equities	%	35.9
Cash and Cash Equivalents	%	23.8	Canadian Equities - Short		(5.3)
Upwork Inc		4.1	Cash and Cash Equivalents		23.8
Freshpet Inc.		3.4	Foreign Equities		66.0
Goodfood Market Corp		3.3	Foreign Equities - Short		(18.3)
Sea Ltd		3.3	Other Assets less Liabilities		(2.1)
Goeasy Ltd		3.2	Total	%	100.0
Trisura Group Ltd		3.0	Sector		
Encavis AG		3.0	Cash and Cash Equivalents	%	23.8
Transcontinental Inc.		2.9	Communication Services		6.8
MSCI Inc.		2.9	Consumer Discretionary		10.0
Adyen NV		2.8	Consumer Staples		2.9
Ballard Power Systems		2.8	Energy		10.0
Pool Corporation		2.7	Financials		12.9
Tomra Systems Asa		2.7	Health Care		3.4
Monolithic Power Systems Inc.		2.7	Industrials		6.8
Neste Oyj		2.7	Information Technology		16.2
APTIV PLC		2.6	Materials		4.8
Orsted A/S		2.6	Other Assets less Liabilities		(2.1)
Marketaxess Holdings Inc		2.6	Real Estate		(4.2)
JD.Com Inc.		2.6	Utilities		8.7
Alibaba Group Holdings Ltd ADR		2.6	Total	%	100.0
Innergex Renewable Energy Inc.		2.6			
Bank of America Corporation		2.6			
Carrier Global Corp.		2.5			
Descartes Systems		2.5			
Total	%	90.1			
Total Portfolio Long Positions	%	121.6			
Total Portfolio Short Positions		-.21.6			



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