



SIMPLIFIED PROSPECTUS

May 11, 2021

Offering

**Series A, Series F and Series O Units of:
Lysander-Canso U.S. Short Term and Floating Rate Fund**

**Series A and Series F Units of:
Lysander-Canso Credit Opportunities Fund, an alternative mutual fund
Lysander-Triasima All Country Long/Short Equity Fund, an alternative mutual
fund**

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise. The Funds and the securities of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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Introduction

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. This document contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds.

Throughout this document:

- *we, us, Lysander or the Manager* means Lysander Funds Limited, the trustee and investment fund manager of the Funds.
- *you* means each person who invests in the Funds.
- *dealer* means the company that sold you the Units of the Funds and the individual who sold them to you.
- *Alternative Mutual Funds* means Lysander-Canso Credit Opportunities Fund and Lysander-Triasima All Country Long/Short Equity Fund, and *Alternative Mutual Fund* means either of them.
- *custodian* means CIBC Mellon Trust Company.
- *Fund* means a mutual fund listed on the front cover of this prospectus.
- *HST* means the Harmonized Sales Tax.
- *intermediary* means a third party that you or your dealer may use to administer your accounts.
- *IRC* means the independent review committee of the Funds established pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds*.
- *the Lysander Funds* means the Funds, together with the other mutual funds managed by the Manager and offered under separate simplified prospectuses.
- *MER* means the management expense ratio for each series of Units of a Fund which reflects certain operating expenses paid by the Fund, but excludes brokerage commission on portfolio transactions and certain other costs, including certain taxes.
- *NAV* means the net asset value per Unit of a series of a Fund.
- *NI 81-102* means National Instrument 81-102 *Investment Funds*.
- *Series* means a series of Units of a Fund.
- *Simplified Prospectus* means this simplified prospectus of the Funds.
- *Tax Act* means *Income Tax Act* (Canada).
- *underlying fund* means any mutual fund in which a Fund invests.
- *Unit* means a mutual fund unit of a Fund.
- *Unitholder* means a holder of Units.

- *U.S. Dollar Funds* means Lysander-Canso U.S. Short Term and Floating Rate Fund and Lysander-Canso U.S. Credit Fund (a Lysander Fund offered under a different simplified prospectus), and *U.S. Dollar Fund* means either of them.

How to use this Simplified Prospectus

This Simplified Prospectus is divided into two parts. The first part, on pages 1 to 25, provides basic information about mutual funds and general information about all of the Funds. The second part, on pages 26 to 37, provides specific information about each Fund.

For more information

You can find more information about each Fund in:

- the Funds' Annual Information Form (**AIF**);
- the fund facts for the Fund (**Fund Facts**);
- the latest annual financial statements for the Fund;
- any interim financial statements filed after those annual financial statements;
- the most recently-filed annual management report of fund performance (**MRFP**) of the Fund; and
- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll free at 1-877-308-6979 or ask your dealer. These documents and other information about the Funds are also available at www.lysanderfunds.com and www.sedar.com.

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

The Funds are mutual funds. A mutual fund is a way of making collective investments. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors to a particular mutual fund.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a global equity fund buys mainly shares of global corporations, while a global balanced fund buys a mix of global equities and bonds. In each case, these securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* below for details.

What do you own?

You receive units in a mutual fund in exchange for the cash you contribute, and you become a unitholder of the mutual fund. Where a mutual fund issues more than one series, a unitholder shares in the fund's income, expenses and any gains and losses allocated to the unitholder's series, generally in proportion to the units of the series he or she owns.

Structure of the Funds

Each Fund is an open-end unit trust governed by a master declaration of trust under Ontario laws. Lysander, as trustee for the Funds, holds the property and investments of the Funds in trust for the Unitholders and arranges for a professional custodian to hold the investments in safekeeping.

You can buy an unlimited number of Units of a Series of each Fund.

What are the general risks of investing in a mutual fund?

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

The general risks include:

Price fluctuation

Mutual funds own different types of investments, depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's units may go up and down and the value of your investment in a mutual fund may be worth more or less when you redeem it than when you purchased it.

Your investment is not guaranteed

The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Redemptions may be suspended

Under exceptional circumstances, your right to redeem your Units may be suspended. See *Suspending your right to redeem* on page 16 for details.

The use of "alternative" investment strategies

Each of Lysander-Canso Credit Opportunities Fund and Lysander-Triasima All Country Long/Short Equity Fund is considered an "alternative mutual fund" according to NI 81-102, meaning these Funds are permitted to use strategies

generally prohibited for other types of mutual funds. Absent exemptive relief from applicable securities regulatory authorities, these strategies permit an alternative mutual fund to: invest more than 10% of its net asset value in securities of a single issuer; invest up to 100% or more of its net asset value in physical commodities either directly or through the use of specified derivatives; borrow, up to 50% of its net asset value, in cash to use for investment purposes; sell, up to 50% of its net asset value, securities short (the combined level of cash borrowing and short selling is limited to 50% of its net asset value in aggregate); and have aggregate exposure to short selling, cash borrowing and specified derivatives of up to 300% of its net asset value; among other things.

What are the specific risks of investing in a mutual fund?

Each mutual fund also has specific risks. The description of each Fund, starting on page 29, sets out the risks that apply to that Fund. Following, in alphabetical order, is a description of each of those risks:

Active management risk

All of the Funds are actively managed. The Funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that unfavourable security selection or market allocation will cause a Fund to underperform relative to other mutual funds with a similar investment objective or relative to its benchmark index. Active management risk may adversely affect a Fund's net asset value per unit, return, or its ability to meet its investment objective.

Concentration Risk

A fund may have investment holdings in a limited number of issuers. Investments in such a fund would involve greater risk and volatility than more broadly-based investment portfolios since the performance of one particular issuer could have a greater impact on the overall performance of the fund's portfolio.

Credit risk

Credit risk can have a negative impact on the value of a debt security, such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called **credit spread**) between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread generally decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating generally decreases the value of a debt security.
- Collateral risk, which is the risk that in the event of a default under secured debt instruments, it may be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

Currency risk

The assets and liabilities of each Fund are valued in Canadian dollars, other than Lysander-Canso U.S. Short Term and Floating Rate Fund, which is valued in U.S. dollars. If a Fund valued in Canadian dollars holds a security denominated in a foreign currency, for the purposes of calculating the net asset value of that Fund, we convert, on a daily basis, the value of the security into Canadian dollars. Some Funds may also purchase or obtain exposure to foreign currencies as investments. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the net asset value of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a Fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If we cannot exchange the currencies in which a Fund is invested, we may be unable to make distributions or process redemptions.

To manage the risk of foreign currency fluctuations and restrictions, certain Funds may enter into forward currency hedging contracts with another party. Certain Funds may also enter into forward currency contracts to increase exposure to a certain currency or to shift exposure to currency fluctuations from one currency to another. The use of forward currency contracts poses the risks set out under *Derivatives risk* below.

When you redeem Units of Lysander-Canso U.S. Short Term and Floating Rate Fund, which is denominated in U.S. dollars, you need to calculate gains or losses based on the Canadian dollar value of your Units when they were purchased and when they were sold because the Canada Revenue Agency requires that capital gains and losses be reported in Canadian dollars. Additionally, although Lysander-Canso U.S. Short Term and Floating Rate Fund distributes any income in U.S. dollars, it must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes. In each of the foregoing cases, changes in the value of the Canadian dollar relative to the U.S. dollar may affect your income tax payable. You may want to consult your own tax advisor.

Cybersecurity risk

With the increased use of technologies such as the Internet to conduct business, the Manager and each Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by computer viruses or other malicious software code or unauthorized access to the Manager's or a Fund's digital information systems, networks or devices through "hacking" or other means, in each case for the purpose of misappropriating assets or sensitive information (including, for example, personal Unitholder information), corrupting data or causing operational disruption or failures in the physical infrastructure or operating systems that support the Manager or the Funds. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or a Fund's systems, networks or devices. Any such cybersecurity breaches or losses of service may cause the Manager or a Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Funds and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Funds' third-party service providers may disrupt the business operations of the service providers and of the Manager or a Fund. These disruptions may result in financial losses, the inability of Unitholders to transact business with a Fund and inability of a Fund to process transactions, the inability of a Fund to calculate its net asset value, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. Cybersecurity risks may also impact issuers of securities in which a Fund invests, which may cause the Fund's investments in such issuers to lose value.

Debt securities risk

Investments in debt securities are subject to certain general investment risks that are similar to equity investments. In addition to credit risk and interest rate risk, a number of other factors may cause the price of a debt security to decline. In the case of corporate debt, this could include specific developments relating to the company, as well as general financial, political and economic conditions in the country where the company operates. In the case of government debt, this could include general economic, financial and political conditions. The market value of a Fund is affected by changes in the prices of the debt securities that it holds.

Depository receipts risk

Depository receipts are securities that evidence ownership interests in, and represent the right to receive, a security or a pool of securities that have been deposited with a bank or trust depository. Certain Funds may invest in American Depository Receipts ("ADRs"), Global Depository Receipts ("GDRs") or other similar securities. For ADRs, the depository is typically a U.S. financial institution and the underlying securities are issued by a non-U.S. entity. For GDRs, the depository receipt is issued by a bank in more than one country for securities in a foreign company. Depository receipts will not necessarily be denominated in the same currency as their underlying securities. Generally,

ADRs are issued in registered form, denominated in U.S. dollars, and designed for use in the U.S. securities markets. Other depositary receipts such as GDRs may be issued in bearer form, may be denominated in any currency, and are primarily designed for use in securities markets outside Canada. ADRs and GDRs can be sponsored by the issuing bank or trust company or the issuer of the underlying securities. Although the issuing bank or trust company may impose charges for the collection of dividends and the conversion of such securities into the underlying securities, generally no fees are imposed on the purchase or sale of these securities other than transaction fees ordinarily involved with trading stock. Such securities may be less liquid or may trade at a lower price than the underlying securities of the issuer. Additionally, the issuers of securities underlying depositary receipts may not be obligated to timely disclose information that is considered material under Canadian securities laws and regulations. Therefore, less information may be available regarding these issuers than about the issuers of other securities and there may not be a correlation between such information and the market value of the depositary receipts.

Derivatives risk

Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. Some common derivatives are: (a) a futures or forward contract, which is an agreement to buy or sell currencies, commodities or securities for a set price at a specified future date; (b) an option, which gives the buyer the right, but not the obligation, to buy or sell currencies, commodities or securities at a set price within a certain time period; and (c) swaps, which allow two parties to exchange the cash flows of a wide range of financial instruments. The Funds may use derivatives to limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging. The Funds may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to financial markets or increasing speed and flexibility in making portfolio changes.

A Fund may write covered call options on securities owned by that Fund. The writing of covered call options provides a Fund with a premium and provides the purchaser with the right to exercise the option to acquire the underlying securities at a specified exercise price. If the market price of the security goes above the exercise price, the Fund will likely not receive a gain above the exercise price on a security subject to a call option because the holder of the option will likely exercise the option. The premiums received on writing covered call options may not exceed the returns that would have resulted if a Fund had remained directly invested in the securities subject to call options. The use of options may also limit or reduce the total returns of a Fund if the expectations concerning future events or market conditions prove to be incorrect. A Fund remains subject to the full risk of its investment position if the market price of securities in its portfolio decline. There can be no assurance that a liquid exchange or over-the-counter market will exist to enable a Fund to write covered call options on desired terms or to close out option positions if it wishes to do so. In addition, exchanges may suspend the trading of options in volatile markets. If a Fund is unable to repurchase a call option that is in-the-money, it will be unable to realize its profits or limit its losses until the option it has written becomes exercisable or expires. If a Fund is unable to settle an in-the-money option in cash, it may be forced to deliver the underlying equity securities. This could result in the Fund being forced to dispose of equity securities it would otherwise wish to continue to hold.

In addition to the specific risks outlined above, the use of derivatives has general risks, including:

- a hedging or non-hedging strategy may not be effective and may not achieve the intended effect;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when a Fund or an underlying fund wants to buy or sell;
- there is no guarantee that a market for the derivative contract will exist when a Fund or an underlying fund wants to buy or sell;
- there is no guarantee that a Fund or an underlying fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to a derivative contract may not be able to meet its obligations, which could result in a financial loss for a Fund or an underlying fund;

- a large percentage of the assets of a Fund or an underlying fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent a Fund or an underlying fund from selling a particular derivative contract;
- the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada;
- the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for a Fund or an underlying fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by a Fund or an underlying fund may reduce the returns of the Fund or the underlying fund;
- the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by a Fund or an underlying fund;
- the price of a derivative may not accurately reflect the value of the underlying asset; and
- the Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

Equity risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. The value of a Fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to equity risk.

Exchange-traded fund risk

A Fund may invest in exchange-traded funds (“ETFs”) that seek to provide returns similar to an underlying benchmark such as particular market indices or industry sector indices. ETFs may not achieve the same return as their benchmark indices due to differences in the actual weightings of securities held in the ETF versus the weightings in the relevant index, and due to the fees and expenses payable by the ETF.

ETFs are traded on an exchange and as a result are subject to the following risks that do not apply to conventional mutual funds: (i) an ETF's securities often trade on the exchange at a premium or discount to the net asset value of such securities; (ii) an active trading market for an ETF's securities may not develop or be maintained, and (iii) there is no assurance that the ETF will continue to meet the listing requirements of the exchange.

Force majeure risk

Natural disasters, incidences of war, riot or civil unrest, terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses (including the novel coronavirus (COVID-19)) can materially adversely affect a Fund's business, financial condition, liquidity or results of operations. The current COVID-19 global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity,

globally. Public health crises, such as the COVID-19 outbreak, can also result in operating, supply chain and project development delays that can materially adversely affect the operations of third parties in which a Fund has an interest. The duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how a Fund may be affected if a public health crisis, such as the COVID-19 outbreak, persists for an extended period of time.

Foreign investment risk

The Funds may invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country.

The foreign investment risk associated with securities in developing countries may be higher than the foreign investment risk associated with securities in developed countries, as many developing countries tend to be less stable politically, socially and economically, may be more subject to corruption and may have less market liquidity and lower standards of business practices and regulation.

In addition, investment income received by a Fund from sources within foreign countries may be subject to foreign income tax withheld at the source. Any foreign withholding taxes could reduce the Fund's distributions paid to Unitholders. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or not a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as Unitholder information); therefore, a Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by a Fund on the sale or disposition of certain securities to taxation in that country.

IBOR transition risk

Various regulators and industry bodies are working globally on transitioning from interbank offered rates (“IBORs”), including the London Interbank Offered Rate (LIBOR), to alternative rates. The effect of such a transition on a Fund and the securities in which it invests cannot yet be determined, and may depend on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts; and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. Such transition may result in a reduction in the value of IBOR-based instruments held by a Fund and increased illiquidity and volatility in markets that currently rely on an IBOR to determine interest rates, any of which could adversely impact a Fund's performance.

Interest rate risk

The value of Funds that hold fixed income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will rise. When interest rates rise, the value of an existing bond will fall. The value of debt securities that pay a variable (or floating) rate of interest is generally less sensitive to interest rate changes. To

the extent a Fund invests in instruments with a negative yield (e.g. where there are negative interest rates), its value could be impaired.

Large transaction risk

If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of Units of a Fund, that Fund may be forced to sell securities at unfavourable prices to pay the proceeds of redemption. This unexpected sale may have a negative impact on the value of your investment in the Fund. A large redemption request could also force a Fund to terminate. A Fund may agree with an investor who has submitted a large redemption request to make part of the redemptions in-kind, by transferring assets of an equal value to the large redeeming investor, if assets of the Fund cannot be sold at prices without a significant impact to the value of the asset.

We or others may offer investment products that invest all or a significant portion of their assets in a Fund. These investments may become large and could result in large purchases or redemptions of Units of the Fund.

Leverage risk

When an Alternative Mutual Fund makes investments in derivatives, borrows cash for investment purposes or uses physical short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair a Fund's liquidity and may cause a Fund to liquidate positions at unfavourable times. Each Alternative Mutual Fund is subject to an aggregate exposure limit to short selling, cash borrowing and specified derivatives of no more than 300% of its net asset value which is measured on a daily basis and described in further detail under the *Investment Strategies* section of each Alternative Mutual Fund beginning on page 32 of this Simplified Prospectus. This will operate to limit the extent to which an Alternative Mutual Fund is leveraged.

Liquidity risk

A liquid asset trades actively on an organized market, such as a stock exchange, which provides price quotations for the asset. The trading of a security or other asset in an organized active market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding shares;
- there are few potential buyers;
- there is not an active market; or
- they cannot be resold because of a promise or an agreement.

In addition, in volatile markets securities that are generally liquid (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid. Securities in which a Fund invests may be thinly traded and relatively illiquid or may cease to be traded after the Fund invests. In such cases and in the event of extreme market activity, the Fund may not be able to liquidate its investments promptly if the need should arise. In addition, a Fund's sales of thinly traded securities could depress the market value of such securities and thereby reduce the Fund's profitability or increase its losses. Such circumstances or events could affect materially and adversely the amount of gain or loss the Fund may realize.

Performance fee risk

As described in this Simplified Prospectus, the Manager is entitled to receive a performance fee from each Alternative Mutual Fund in respect of each Series. The performance fee theoretically may create an incentive for the Manager to make investments that are riskier than would be the case if such fee did not exist. In addition, because the performance fee is calculated on a basis that includes unrealized appreciation of a Fund's assets, it may be greater than if such compensation were based solely on realized gains. Investors should be aware that, since the performance fee payable by a Fund in respect of a Series is charged to the Series, rather than individual accounts, the period used to calculate the performance fee may or may not match the period over which investors hold Units.

Repurchase, reverse repurchase and securities lending risk

The Funds may engage in securities lending, repurchase and reverse repurchase transactions. Under a repurchase transaction, a Fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which a Fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date. Securities lending is an agreement whereby a Fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral.

There is the risk that the other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds.

To reduce these risks, the Funds require the other party to each of these transactions to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of a Fund's net asset value. This calculation excludes cash held by a Fund for sold securities and collateral held for loaned securities.

Series risk

Units of the Funds are offered under a "multi-series" structure where each Series of Units is charged, as a separate Series, the expenses attributable to that particular Series. There is risk, however, that the expenses of one Series may affect the value of another Series when one Series is unable to pay its expenses. In this case, the Fund as a whole is responsible for paying the additional expenses.

Short selling risk

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 of a single issuer to 10% of the net asset value of an Alternative Mutual Fund (5% for a Fund that is not an Alternative Mutual Fund) and the total market value of all securities sold short by an Alternative Mutual Fund to 50% of the net asset value of the Fund (20% for a Fund that is not an Alternative Mutual Fund). Lysander-Canso Credit Opportunities Fund has obtained exemptive relief from applicable securities regulatory authorities to permit 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.

Small company risk

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market for their securities. They generally do not have as many shares trading in the market, so it could be difficult for a Fund to buy or sell small company stock when it needs to. All of this means their prices can change significantly in a short period of time.

Specialization risk

A Fund that invests primarily in one industry, market capitalization range or specific region or country may be more volatile than a less specialized Fund and will be strongly affected by the overall economic performance of the area of specialization in which the Fund invests. The Fund must continue to follow its investment objectives regardless of the economic performance of the area of specialization.

Tax risk

As of the date hereof, each of the Funds, other than Lysander-Canso US Short Term and Floating Rate Fund, qualifies as a “mutual fund trust” under the Tax Act. It is expected that Lysander-Canso US Short Term and Floating Rate Fund will be deemed to qualify as a mutual fund trust under the Tax Act effective from the date of its creation. In respect of each of the Funds, it is the Manager’s intention that the conditions prescribed in the Tax Act for qualification as a mutual fund trust will be satisfied on a continuing basis. If a Fund fails to or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under *Income tax considerations for investors* on page 23 could be materially and adversely different in some respects. For example, if a Fund ceases to qualify as a mutual fund trust, units of the Fund will no longer be qualified investments for registered plans under the Tax Act. The Tax Act imposes penalties on the annuitant of a registered retirement savings plan (“RRSP”) or a registered retirement income fund (“RRIF”), the holder of a tax-free savings account (“TFSA”) or a registered disability savings plan (“RDSP”), or the subscriber of a registered education savings plan (“RESP”) for the acquisition or holding of non-qualified investments.

There can be no assurance that the Canada Revenue Agency (“CRA”) will agree with the tax treatment adopted by a Fund in filing its tax return. The CRA could reassess a Fund on a basis that results in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in a Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the net asset value of the Fund.

In addition, the use of derivative strategies may have a tax impact on the Funds. In general, gains and losses realized by a Fund from derivative transactions will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account and provided 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 a Fund at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable Unitholders in the taxation year in which it is realized and included in such Unitholder’s income for the year.

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 could 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”, 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 interest 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 interest in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary of a Fund, and a group of persons is deemed not to become a majority-interest group of beneficiaries of a Fund, if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

Underlying fund risk

If a Fund invests in another investment fund (including an ETF), the risks associated with investing in that investment fund include the risks associated with the securities in which that investment fund invests, along with the other risks

of that investment fund. Accordingly, the Fund takes on the risk of the investment fund in which it invests and its respective securities in proportion to the Fund's investment in that investment fund. If the investment fund suspends redemptions, the Fund may be unable to value the portion of its portfolio that is invested in the investment fund.

Organization and management of the Funds

MANAGER

Lysander Funds Limited
3080 Yonge Street, Suite 3037
Toronto, Ontario M4N 3N1
1-877-308-6979
www.lysanderfunds.com

The Manager is responsible for the day-to-day business and operations of the Funds. We may hire arm's length third parties or affiliates to perform some of the services required by the Funds.

TRUSTEE

Lysander Funds Limited
Toronto, Ontario

The Funds are unit trusts. When you invest in one of the Funds, you buy Units of that trust. The trustee holds actual title to the property (cash and securities) of each Fund on behalf of the investor.

PORTFOLIO MANAGERS

Canso Investment Counsel Ltd.
Richmond Hill, Ontario

Canso Investment Counsel Ltd. ("Canso") is the portfolio manager of Lysander-Canso U.S. Short Term and Floating Rate Fund and Lysander-Canso Credit Opportunities Fund and is responsible for managing the investment portfolios of these Funds, including selecting the securities held in the portfolios of these Funds. Canso Investment Counsel Ltd. is an affiliate of the Manager.

Triasima Portfolio Management Inc.
Montréal, Québec

Triasima Portfolio Management Inc. is the portfolio manager of Lysander-Triasima All Country Long/Short Equity Fund and is responsible for managing the investment portfolio of this Fund, including selecting the securities held in the portfolio of this Fund.

PRINCIPAL DISTRIBUTOR

PBY Capital Limited
Toronto, Ontario

PBY Capital Limited ("PBY Capital"), an exempt market dealer, is the principal distributor of Units of Lysander-Canso Credit Opportunities Fund.

PBY Capital only promotes and distributes Units of Lysander-Canso Credit Opportunities Fund pursuant to applicable prospectus exemptions. PBY Capital is an affiliate of the Manager.

CUSTODIAN

CIBC Mellon Trust Company
Toronto, Ontario

The custodian holds all of the Funds' assets in safekeeping; however, from time to time, entities other than the custodian may hold a portion of a Fund's assets as collateral posted by the Fund in connection with certain transactions in accordance with applicable securities regulations or exemption therefrom.

REGISTRAR & TRANSFER AGENT

Convexus Managed Services Inc.
Richmond Hill, Ontario

The registrar keeps a record of the owners of Units of the Funds and processes subscriptions, switches, conversions, redemptions and any other changes in ownership.

SECURITIES LENDING AGENT

CIBC Mellon Trust Company
Toronto, Ontario

The securities lending agent will act on behalf of a Fund in administering any securities lending and repurchase transactions entered into by the Fund.

AUDITOR

Deloitte LLP
Toronto, Ontario

The auditor audits the Funds' annual financial statements and provides an opinion as to whether they present fairly in all material respects the Funds' financial position, financial performance and cash flows in accordance with International Financial Reporting Standards.

INDEPENDENT REVIEW COMMITTEE (IRC)

The mandate of the IRC is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some cases, approve conflict of interest matters. The IRC may also approve certain mergers involving the Funds and any change of the auditors of the Funds. Unitholder approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such merger or change of auditor.

Each member of the IRC is independent of us, the Funds and any party related to us. The IRC will prepare, at least annually, a report of its activities for Unitholders. This report will be available on our website at www.lysanderfunds.com or you may request a copy, at no cost to you, by contacting us at manager@lysanderfunds.com.

Additional information about the IRC, including the names of the members, is available in the AIF.

Fund-of-funds

Securities legislation permits mutual funds (referred to in this context as **Top Funds**) to actively manage their investment holdings in other mutual funds (referred to in this context as **Underlying Funds**). The Funds may invest in securities of other mutual funds. Where we are the manager of both a Top Fund and an Underlying Fund, we will not vote the securities of the Underlying Fund. We may, in our discretion, arrange for such securities to be voted by the unitholders of the applicable Top Fund.

Purchases, switches and redemptions

Each Fund may have an unlimited number of Series and may issue an unlimited number of Units of each Series. Lysander-Canso U.S. Short Term and Floating Rate Fund currently offers Series A, Series F and Series O Units and each Alternative Mutual Fund currently offers Series A and Series F Units. You may purchase, switch (redeem Units of a Fund and purchase Units of another Lysander Fund), reclassify (change Units of a Fund into Units of another Series of the same Fund) or redeem Units of a Fund only through registered dealers in each jurisdiction where the Units are qualified for sale, subject to the exceptions noted in this document.

Each Unit of a Series of a Fund will entitle an investor to:

- receive a *pro rata* share of all net income and net capital gains distributions attributable to that Series made by the Fund (except for Management Fee Distributions (as defined in this Simplified Prospectus) and distributions of capital gains to redeeming Unitholders);
- share *pro rata* in the net assets of that Series upon the wind-up or termination of the Fund;
- vote at all meetings of the Fund (where the nature of the business to be transacted at an investor meeting concerns an issue that is relevant only to holders of a particular Series, only holders of that Series will be entitled to vote); and
- redeem, reclassify Units to another Series of the Fund, or switch Units of the Fund to units of another Lysander Fund, except that switches between a Lysander Fund that is not a U.S. Dollar Fund and a U.S. Dollar Fund are not permitted.

With respect to the different Series of Units described below, we reserve the right to set and change minimum initial and subsequent investment requirements for each of the Funds without notice to you. We reserve the right to redeem your Units if the value of your Units falls below these set minimum investment amounts.

Series A Units: Available to all investors through dealers approved by us. The dealer receives a trailing commission from us for Series A Units purchased through the dealer. See *Dealer compensation – Trailing Commissions – Series A* on page 22 for more information.

Series F Units: Available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

Series O Units: Available to select investors who have been approved by us and have entered into a Series O Fund Purchase Agreement with us. These investors are typically institutional clients, financial services companies that make large investments in the Funds and that will use Series O Units of the Funds to facilitate offering other products or group programs to investors.

The Funds may offer other Series of Units from time to time. Only Series A and Series F Units (and also Series O Units in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund) are offered for distribution under this Simplified Prospectus.

How to purchase Units

You can buy Units of the Funds through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy units in a mutual fund. You may hold Units in trust for a minor.

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*.

Purchase price and purchase frequency

When you buy Units in a Fund, the price you pay is the NAV of those Units. In general, the NAV is the net asset value of the Series of the Fund, divided by the total number of Units of that Series outstanding. The NAV of each Series of each Fund is calculated at the end of each business day (i.e., each day that the Toronto Stock Exchange (“TSX”) is open for trading) (each, a “**Valuation Date**”). We calculate the NAV for each Series of a Fund in Canadian dollars, except for Lysander-Canso U.S. Short Term and Floating Rate Fund, which is denominated in U.S. dollars. Lysander-Canso U.S. Short Term and Floating Rate Fund must be purchased in U.S. dollars.

Lysander-Canso Credit Opportunities Fund

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 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 calculated on the last Valuation Date of the next month.

All Funds other than Lysander-Canso Credit Opportunities Fund

Units of all Funds other than Lysander-Canso Credit Opportunities 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 calculated on that day. If we receive your order after that time, we will process your order based on the NAV calculated on the next Valuation Date.

Purchasing Series A Units

Series A Units of the Funds are available to all investors under the following purchase option:

Initial Sales Charge Option

Under the Initial Sales Charge Option, investors may pay a fee of up to 5% of the amount invested to the dealer at the time of purchase for Series A Units of the Funds.

Purchasing Series F Units

Series F Units are available to investors through dealers approved by us, which include dealers that offer fee-based programs, or order execution only platforms where the dealer does not make a suitability determination.

There are no sales charges, redemption fees, trailing commissions or other commissions payable on the purchase or sale of Series F Units. However, to hold Series F Units, the dealer may charge an investor: (i) a fee based on the assets in that investor's account, (ii) brokerage commissions on the purchase or sale of Series F Units, or (iii) program or platform fees. See *Fees and expenses payable directly by you* on page 20 for more information.

Purchasing Series O Units

Series O Units are available to select investors who have been approved by us and have entered into a Series O Fund Purchase Agreement with us. These investors are typically institutional clients, financial services companies that make large investments in the Fund and that will use Series O Units of the Fund to facilitate offering other products or group programs to investors. The criteria for approval may include the size of the investment, the expected level of account activity and the investor's total investments with us. No management fees are charged to a Fund with respect to Series O Units, but investors will be charged a negotiated management fee that is paid directly to the Manager.

There are no sales charges, redemption fees, trailing commissions or other commissions payable by you or paid to dealers in connection with Series O 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 or, in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund, U.S.\$1,000. The minimum additional investment is \$100 or, in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund, U.S.\$100. The initial minimum investment amount may be adjusted or waived in our absolute discretion and without notice to Unitholders. Series O is typically for larger amounts. These amounts are determined from time to time by us in our sole discretion. They may also be waived by us and are subject to change without prior notice.

How we process your order

You and your dealer are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions.

If your purchase is made through a dealer, we must receive full payment within 2 business days of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your Units on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep 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.

We have discretion to reject any purchase order. The decision to accept or reject any purchase order will be made within 1 business day of receipt of the order. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

How to redeem your Units

You may redeem all or a portion of your Units of the Funds by delivering a redemption order to your dealer. Your request must be duly authorized by you and, for the protection of investors, we or your dealer may require additional steps such as your signature being guaranteed by a guarantor acceptable to us or to your dealer, as applicable.

Redemption price and redemption frequency

Lysander-Canso Credit Opportunities Fund

Units of Lysander-Canso Credit Opportunities Fund are redeemable on a monthly basis. If we receive your redemption request before 4:00 p.m. (Eastern Time) on the 15th day of a month or, if the 15th day is not a Valuation Date, the Valuation Date immediately preceding the 15th day (the “**Monthly Redemption Submission Date**”), we will process your redemption request on the last Valuation Date of that month (the “**Monthly Valuation Date**”) and calculate your redemption value based on the NAV as of that Monthly Valuation Date. If we receive your redemption request after 4:00 p.m. (Eastern Time) on a Monthly Redemption Submission Date, we will process your redemption request and calculate your redemption value based on the NAV on the Monthly Valuation Date of the next month.

All Funds other than Lysander-Canso Credit Opportunities Fund

Units of all Funds other than Lysander-Canso Credit Opportunities Fund are redeemable on a daily basis. If we receive your redemption request before 4:00 p.m. (Eastern Time) (or before the TSX closes for the day, whichever is earlier) on a Valuation Date, we will calculate your redemption value based on the NAV as of that day. If we receive your redemption request after that time, we will calculate your redemption value based on the NAV as of the next Valuation Date. Redemption proceeds for redemptions of Units of Lysander-Canso U.S. Short Term and Floating Rate Fund will be paid in U.S. dollars.

Special rules for redemptions

Special rules may apply if:

- your redemption proceeds are \$25,000 or more (U.S.\$25,000 in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund);
- you ask us to send your redemption proceeds to another person or to a different address than that recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or
- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming Units.

These rules are set out in the AIF and are also available from your dealer.

Redemption fees

There are no fees payable when redeeming Units of the Funds, other than applicable short-term trading fees that may apply as described below.

Excessive short-term trading

In general, the Lysander Funds are long-term investments. Some unitholders may seek to trade or switch units frequently to try to take advantage of changes in the net asset value or the difference between a fund's calculated net asset value 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 hurt a fund's performance, affecting all the unitholders in a 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 Unitholder accounts and, through this monitoring, declining certain trades when deemed appropriate;
- imposing short-term trading fees; and
- when appropriate, applying fair value pricing to foreign portfolio holdings in determining the net asset value of the Funds.

Short-term trading fees

If you redeem or switch Units of a Fund other than Lysander-Canso Credit Opportunities Fund within 30 days of purchase, we may charge a short-term trading fee on behalf of the Fund. This is in addition to any switch fee that you may pay to your dealer. See *Switch fees* on page 17 and *Fees and expenses payable directly by you* on page 20. Each additional switch counts as a new purchase for this purpose.

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.

Fair value pricing

The TSX generally closes at 4:00 p.m. (Eastern Time). We price a Fund's equity holdings using their market values as of 4:00 p.m. (Eastern Time). For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4:00 p.m. (Eastern Time). However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values, because their local closings may have occurred many hours earlier. Events affecting the values of a Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4:00 p.m. (Eastern Time). Absent our fair value pricing procedures, these events would not be captured in the Fund's net asset value. We employ fair value pricing for two purposes. Firstly, it increases the likelihood that a Fund's net asset value truly reflects the value of the Fund's holdings at the time the net asset value is determined. Secondly, it acts to deter market timing activity by decreasing the likelihood that a Unitholder is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4:00 p.m. (Eastern Time). Our fair value pricing techniques involve assigning values to the Funds' portfolio holdings that may differ from the closing prices on the foreign securities exchanges. We do this in circumstances where we have in good faith determined that to do so better reflects the market values of the securities in question.

How we process your redemption request

We must receive all necessary documentation within 10 business days of receipt of the redemption order. The investor will generally be sent the redemption proceeds within 2 business days of the date the Units were priced subject to us receiving all necessary documentation. If the documentation is not received within 10 business days of receipt of the redemption order, the redemption order will be reversed 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, the redemption order will be cancelled where the 10th business day has occurred prior to the relevant Monthly Valuation Date. Where a redemption order has been reversed, the redemption proceeds will be used to pay for the Units purchased. Any excess proceeds belong to the Fund. Any shortfall will be paid to the Fund by us. However, we will be entitled to collect the shortfall, plus any costs involved, from the dealer who placed the redemption request.

That dealer, in turn, may seek to collect this amount plus the expenses of doing so from the investor on whose behalf the redemption request was made. We will deduct any required withholding tax and performance fees from the payment, as applicable.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise. If your account is registered in your name, we will mail you a cheque, unless you tell us to deliver the proceeds by wire transfer to your account at a Canadian bank, trust company or credit union. If you choose payment by wire transfer, you need to send us an imprinted void cheque so we can deposit the funds directly into your account, and you will be charged the cost of this wire transfer.

Automatic redemption

You 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. In addition, if a Unitholder does not provide a valid self-certification form from a FATCA or CRS perspective, which could result in non-compliance penalty obligations to a Fund, we may redeem the Unitholder's Units to make the Fund whole for the imposition of such penalties.

Unitholders in Series A or Series F of the Funds must keep at least \$1,000 in each of their accounts (U.S.\$1,000 in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund). 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 (U.S.\$1,000 in the case of Lysander-Canso U.S. Short Term and Floating Rate Fund) after those 30 days, we may redeem all of the Units in your account and send the proceeds to you.

Suspending your right to redeem

Your right to redeem Units of a Fund may be suspended for all or part of a period (“**redemption suspension period**”): (i) when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada upon which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded (and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund); or (ii) with the consent of any securities commission or regulatory body having jurisdiction. During any redemption suspension period, no calculations of NAV will be made and a Fund will not be permitted to issue further securities or redeem any securities previously issued.

The calculation of NAVs will resume when trading resumes on the exchange or with the permission of any securities commission or regulatory body having jurisdiction.

In the case of Lysander-Canso Credit Opportunities Fund, if you make a redemption request and a redemption suspension period is in effect on the Monthly Valuation Date applicable to your redemption request, your 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 all Funds other than Lysander-Canso Credit Opportunities Fund, if you make a redemption request during a redemption suspension period, your 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.

How to switch your Units or reclassify between Series

You can switch all or some of your Units of one 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 that is not a U.S. Dollar Fund and a U.S. Dollar Fund are not permitted. A switch constitutes a sale (redemption) by you of your Units of the original Fund and a purchase of the Units of the new Lysander Fund.

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.

Tax consequences of switching or changing

If you switch between the Lysander Funds, the switch will be treated as a sale and purchase of Units and will be a disposition for tax purposes. If you reclassify between Series of the same Fund, the reclassification will be treated as a redesignation of Units and will not generally result in a disposition for tax purposes. Any redemption of Units to pay any applicable fees upon a switch or a reclassification of Units will be considered a disposition for tax purposes. See *Income tax considerations for investors* on page 23 for more details.

Switch fees

Your dealer may charge you a fee of up to 2% of the amount you switch or reclassify. You and your dealer negotiate the fee.

You may also have to pay to a Fund a short-term trading fee if you switch Units you bought or switched into in the last 30 days. See *Excessive short-term trading* on page 15 and *Short-term trading fees* on page 15.

Optional Services

Systematic purchase program

To invest money in the Funds on a regular basis, you may set up a systematic purchase program at no charge other than the fees associated with the purchase option you select. Ask your dealer for details.

Systematic withdrawal program

To withdraw money from your Funds on a regular basis, you may set up a systematic withdrawal program at no charge. Ask your dealer for details. The systematic withdrawal program may also be used in certain Series of the Funds to generate cash to pay ongoing amounts due from you to your dealer.

If your withdrawals in a Fund over time are greater than your investments and the income and growth in the Fund, you may eventually reduce your balance to zero.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Funds. You will pay some of these fees and expenses directly. A Fund may pay some of these fees and expenses, which therefore reduces the value of your investment in the Fund. The consent of Unitholders will be obtained if: (i) the basis of the calculation of a fee or expense that is charged to a Fund or Series, or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund, is changed in a way that could result in an increase in charges to that Fund or Series or to its Unitholders; or (ii) a fee or expense to be charged to a Fund or Series, or directly to its Unitholders by the Fund or us in connection with the holding of Units of the Fund that could result in an increase in charges to that Fund or Series or to its Unitholders, is introduced. In either case, Unitholder consent will not be required if the change or new fee or expense is a result of a change made by a third party at arm's length to the Fund, or is not required under securities regulation. In this case, you will be sent a written notice at least 60 days before the effective date of the change.

For Series F and Series O of the Funds, we may change the basis of the calculation of a fee or expense, or introduce a new fee or expense, in each case in a way that could result in an increase in charges to the Series or to their Unitholders upon providing at least 60 days' written notice before the effective date of any such change.

Fees and expenses payable by the Funds

Management fees Series A and Series F of each Fund pay the Manager a management fee which is calculated by multiplying the Fund's net asset value attributable to the applicable Series of Units by an annual management fee rate, for day-to-day management and administration services (the "**Management Fee**"). The annual management fee rate is unique to each Series of Units. The Management Fee is calculated and accrued daily and paid monthly. Series O Units of the Funds do not pay a management fee. Series O investors pay a negotiated management fee directly to the Manager, which will not exceed the management fee payable on Series A Units. The Management Fee for each Fund is shown in the description of each Fund, starting on page 29. The Management Fee is subject to HST and other applicable taxes.

As investment fund manager, the Manager is responsible for the day-to-day business, operations and affairs of the Funds and provides marketing and administrative services to the Funds, including office space and facilities, clerical help, bookkeeping, internal accounting services, and Unitholder reporting and servicing requirements.

Management Fee Distributions

The Manager reserves the right to offer a reduced management fee to select 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 net asset value 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 income tax consequences of Management Fee Distributions will generally be borne by the qualifying investors receiving the Management Fee Distributions. See "*Income Tax Considerations for Investors*" for more information regarding the income tax consequences of a Management Fee Distribution.

Performance fees Subject to certain terms and conditions more fully described below, the Manager is entitled to receive, in respect of Series A and Series F of each Alternative Mutual Fund, a performance fee equal to 20% of the Series' outperformance of the Benchmark Index (defined below), after fees and expenses. The performance fee is specific to each Series of Units, based on the performance of that Series. The Manager may, in its discretion, waive all or a portion of the performance fee for any Series of a Fund from time to time. The Manager may cease such waiver at any time without notice.

For Lysander-Canso Credit Opportunities Fund, the performance fee is calculated on each Determination Date (as defined below) and accrued on the Valuation Date immediately thereafter. For Lysander-Triasima All Country Long/Short Equity Fund, the performance fee is calculated and accrued on each Valuation Date. For both Alternative Mutual Funds, the amount of the performance fee payable, if any, is determined annually as of the last Valuation Date in each calendar year.

In respect of each Series, the performance fee for a given Relevant Period (defined below) will be an amount for each Unit then outstanding equal to **20% of A x B**, where:

A = The amount by which the Performance (defined below) exceeds the Index Performance (defined below); and

B = The NAV at the Determination Date (defined below);

provided that no performance fee is payable if: (i) the Performance is negative during the Relevant Period or during the calendar year ending on the Determination Date; or (ii) after the payment of the performance fee, in any calendar year, the return of the Series of Units will be negative.

For purposes of calculating the performance fee:

“**Benchmark Index**” for each Alternative Mutual Fund is as follows:

Lysander-Canso Credit Opportunities Fund	<p>FTSE Canada All Corporate Bond Index (Total Return) (or its successor index)</p> <p><i>The FTSE Canada All Corporate Bond Index (Total Return) measures the performance of the Canadian corporate bond sector. It is comprised primarily of semi-annual pay fixed rate corporate bonds issued domestically in Canada.</i></p>
Lysander-Triasima All Country Long/Short Equity Fund	<p>The greater of, over the Relevant Period: (i) Canadian Government Bonds 3 Month Bill Index (or its successor index) + 3% per annum; or (ii) 4% per annum</p> <p><i>The Canadian Government Bonds 3 Month Bill Index tracks the performance of generic 3-month Government of Canada bills.</i></p>

“**Determination Date**” means, for Lysander-Canso Credit Opportunities Fund, the second last Valuation Date of each month and, for Lysander-Triasima All Country Long/Short Equity Fund, each Valuation Date.

“**High Watermark Date**” means, for a Series of Units where no performance fee has been paid, the date on which Units of that Series were initially issued by the Alternative Mutual Fund until a performance fee for that Series is payable, following which, the High Watermark Date shall be the date on which the most recent performance fee was payable.

“**Index Performance**” means a percentage, the numerator of which is (i) the level of the Benchmark Index as at the Determination Date, less (ii) the level of the Benchmark Index as at the High Watermark Date, and the denominator of which is the level of the Benchmark Index as at the High Watermark Date.

“**Performance**”, in respect of each Series of Units, means a percentage, the numerator of which is: (i) the NAV (calculated without taking into account the performance fee) as at the Determination Date, plus (ii) the effect of distributions paid on such Unit since the High Watermark Date as determined by the Manager, less (iii) the NAV as at the High

Watermark Date, and the denominator of which is the NAV as at the High Watermark Date.

“**Relevant Period**”, for each Series of Units, is the period from but excluding the High Watermark Date to and including the Determination Date.

Performance fee on redemptions

Where Units of an Alternative Mutual Fund are redeemed or switched on a date that is not the last Valuation Date in the calendar year, the Alternative Mutual Fund will pay to the Manager a performance fee in respect of any redeemed Units determined for the period from the relevant High Watermark Date to the date on which such Units were redeemed or switched.

Since the performance fee payable by an Alternative Mutual Fund in respect of a Series is charged to the Series, rather than individual investor accounts, investors should be aware that the period used to calculate the performance fee may or may not match the period over which investors hold Units.

Other operating expenses

Each Fund is responsible for paying its own operating expenses, including brokerage commissions and fees on portfolio transactions, interest expenses, operating, administrative and systems costs (including overhead expenses of the Manager that are related to daily fund operating functions such as employee salaries, rent and utilities), custodian fees, regulatory fees (e.g. capital markets participation fees), costs and expenses related to the Funds’ IRC (as discussed below), audit and legal fees, insurance, trustee fees, directors’ or advisory committee’s fees (if any), registrar’s fees, distribution costs, the cost of reporting to Unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of the Units of the Fund, any other fees that become commonly charged in the Canadian mutual fund industry, and taxes payable on any of these expenses, including HST.

In their discretion, the Manager or a portfolio manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or a portfolio manager to make similar future payments, and such payments may be stopped without notice to you.

Each member of the IRC receives an annual retainer of \$11,000 (\$13,760 for the Chair) and is reimbursed for reasonable expenses incurred, such as fees for certain IRC related courses or sessions that they attend, and associated costs such as travel and parking for these events. The fees and expenses associated with the IRC are allocated by us among the Lysander Funds, including the Funds, and the amount allocated to each Fund is reflected in the Fund’s financial statements. The current members of the IRC are Paul Fahey (Chair), Bill Schultz, Jim McGill and Ruth Gould.

Underlying funds

When a Fund invests in an underlying fund, the underlying fund may pay a management fee (if the underlying fund is not a Lysander Fund) 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 that invests in an underlying fund managed by us and a Fund that invests in an underlying fund not managed by us does not pay duplicative sales fees or redemption fees with respect to the purchase or redemption by it of securities of that underlying fund.

Fees and expenses payable directly by you

Sales charges

Under the Initial Sales Charge Option, a sales charge of up to 5% of the amount you invest may be charged by your dealer if you purchase Series A Units of the Funds. You can negotiate the amount with your dealer. No fees are paid to your dealer at the time of purchase of Series F or

Series O Units. Sales charges for Lysander-Canso U.S. Short Term and Floating Rate Fund are payable in U.S. dollars.

Series F fees If you invest in Series F Units, you may have to pay your dealer (i) a fee based on the assets in your account, (ii) brokerage commissions on the purchase or sale of Series F Units, or (iii) program or platform fees. Investors in Series F Units do not pay sales charges and we do not pay any commissions to dealers in respect of Series F Units. In certain cases where a fee is charged, we may collect the fee on behalf of your dealer.

Series O management fees Series O investors negotiate and pay an annual management fee, plus any applicable taxes, to us directly. The Series O management fee will not exceed the Series A management fee for the same Fund. The fee is accrued daily and paid monthly.

Switch fees You may pay up to 2% of the current value of the Series of Units being: (i) switched between the Lysander Funds, except that switches between a Lysander Fund that is not a U.S. Dollar Fund and a U.S. Dollar Fund are not permitted; or (ii) reclassified between Series of a Fund. You negotiate the switch fees with your dealer. Switch fees for Lysander-Canso U.S. Short Term and Floating Rate Fund are payable in U.S. dollars.

Short-term trading fee You may pay up to 2% of the current value of the Series of Units of the Funds (other than Lysander-Canso Credit Opportunities Fund) that you own if you redeem or switch them within 30 days of purchase. All short-term trading fees are deducted from the amount you redeem or switch and are paid to the Fund. See *Short-term trading fees* on page 15 for details. Short-term trading fees for Lysander-Canso U.S. Short Term and Floating Rate Fund are payable in U.S. dollars.

No short-term trading fees will be charged for a redemption of Units (a) under a systematic withdrawal program, (b) by another investment fund, product or program approved by us or (c) 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.

Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in Series A Units of a Fund, if you held that investment for 1, 3, 5 or 10 years and redeemed immediately before the end of that period. No fees are payable on Series F or Series O Units of the Funds.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option ¹	\$50 ^{2,3}	Nil	Nil	Nil	Nil

1 A short-term trading fee may be applicable if Units of the Funds, other than Lysander-Canso Credit Opportunities Fund, are redeemed within 30 days of their date of purchase or switch.

2 Assumes the maximum initial sales charge of 5% for Series A Units of the Funds. The actual amount of the initial sales charge will be negotiated between you and your dealer.

3 For Lysander-Canso U.S. Short Term and Floating Rate Fund, U.S.\$50.

Dealer compensation

When you purchase Series A Units, your dealer receives two primary types of compensation – sales commissions and trailing commissions. Initially, your dealer may be paid a negotiable sales commission by you. Thereafter, a trailing commission (subject to compliance with applicable securities legislation) is accrued daily and paid quarterly by us and is based upon the percentage of the NAV of all Series A Units of a Fund held in your account with your dealer.

There are no sales commissions or trailing commissions paid in respect of Series F or Series O Units purchased under this Simplified Prospectus.

Sales Commissions – Series A

For Series A Units of a Fund purchased under the Initial Sales Charge Option, the dealer which distributes such Units may charge you a sales commission of up to 5.0% (\$50 for each \$1,000 investment) of the value of the Series A Units of the Funds you purchased.

Trailing Commissions – Series A

We pay your dealer (including a discount broker, subject to compliance with applicable securities legislation) a portion of the Management Fee to assist your dealer in providing you with continuing advice and/or service. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers.

For Series A Units, we will pay trailing commissions to dealers at an amount up to the annual rates listed below, based upon the aggregate value of Series A Units of the Funds held in that dealer's client accounts:

<u>Fund</u>	<u>Maximum Annual Rate</u>
Lysander-Canso U.S. Short Term and Floating Rate Fund	0.50% (U.S.\$5.00 for each U.S.\$1,000 investment)
Lysander-Canso Credit Opportunities Fund	0.50% (\$5.00 for each \$1,000 investment)
Lysander-Triasima All Country Long/Short Equity Fund	1.00% (\$10.00 for each \$1,000 investment)

The trailing commission is paid by us to your dealer quarterly during each calendar year and will be calculated based on a daily average asset calculation. This trailing commission is determined by us and may be changed at any time. It is expected that dealers, other than discount brokers, will pay a portion of the trailing commission to sales representatives as compensation for providing ongoing investment advice and/or service to the clients.

The Canadian Securities Administrators have published rule amendments that will prohibit the payment of trailing commissions to discount brokerage firms, so long as those firms do not have a suitability obligation towards their clients. We will be working with any such dealers with respect to Series A Units such that we and the dealer will be compliant with the rule amendments when they become effective in June 2022.

Sales incentives

In addition to the sales commissions and trailing commissions listed above, we may share the costs of local advertising, dealer training seminars or other marketing or sales-related expenses with registered dealers to better serve their clients. We may also provide dealers non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion activities that result in dealers' sales representatives receiving non-monetary benefits. These activities are in compliance with applicable laws and regulations and costs incurred by them will be paid by us and not the Funds.

Equity interest

The Manager is an affiliate of each of Canso and PBY Capital. Canso acts as the portfolio manager or sub-advisor to certain of the Funds, as more fully described in this Simplified Prospectus. Each of Canso and PBY Capital are registered as an exempt market dealer in all provinces of Canada, and in this capacity may sell Units of the Funds to their clients. As at the date of this Simplified Prospectus, each of John Carswell, the President and a director of Canso, and Gail Mudie, a director of Canso, through their direct and indirect ownership of the issued and outstanding voting securities of Canso, had more than 10% voting control of Canso. In addition, each of John Carswell and Canso, through their direct and indirect ownership of the issued and outstanding voting securities of the Manager, had more than 10% voting control of the Manager. Each of John Carswell, Canso and the Manager, through their direct and indirect ownership of the issued and outstanding voting securities of PBY Capital, had more than 10% voting control of PBY Capital.

Dealer compensation from management fees

Of the total management fees received by us from all of the Lysander Funds, 7.6% was paid by us to dealers who distributed units of the Lysander Funds for Lysander's financial year ended 2020.

Income tax considerations for investors

This information is a general summary of Canadian federal income tax rules applicable to an individual (other than a trust) who for purposes of the Tax Act is resident in Canada, holds Units of a Fund directly as capital property or in a registered plan and deals at arm's length and is not affiliated with the Fund. It is not intended to be legal or tax advice. More information is contained in the Annual Information Form for the Funds.

We do not describe the tax rules in detail or cover all the tax consequences that may apply. We recommend you consult your tax advisor for advice about your individual situation.

How mutual funds earn taxable income

Mutual funds may earn income and capital gains in a number of ways. For example, a mutual fund is generally required to include in income interest as it accrues, dividends when they are received and income from an underlying fund when it is paid.

A Fund realizes a capital gain if it sells an investment for more than its cost, or a capital loss if it sells an investment for less than its cost. A fund may realize gains (or losses) from derivative activities and short sales. These are treated as either income gains or losses or capital gains or losses, depending on the situation.

Each Fund will distribute enough of its net income and net realized capital gains so that it does not have to pay ordinary income tax. Each Fund generally flows all of its taxable income through to its Unitholders in the form of distributions. This income is generally taxed as if you earned it directly.

How your investment is taxed

The tax you pay on your mutual fund investment depends on whether you hold your Units in a non-registered account or in a registered plan.

Non-registered accounts

Distributions

Generally, you must include the taxable portion of distributions from the Funds (including Management Fee Distributions and distributions of capital gains on redemptions) in computing your income for tax purposes. This is the case whether you receive them in cash or reinvest them in additional Units. The amount of any reinvested distributions is added to your adjusted cost base (**ACB**) and thus reduces your capital gain or increases your capital loss when you redeem those Units, so that you do not pay tax twice on the same amount. The Funds will take steps

so that capital gains, Canadian dividends and foreign source income will retain their character when paid to you. Canadian dividends are subject to the dividend gross up and tax credit rules. The Funds will take steps to pass on to you the benefit of the enhanced dividend tax credit that is available with respect to certain eligible dividends received from Canadian corporations.

Distributions from the Funds may include a return of capital. A distribution to you will generally be treated as a return of capital if distributions to you in the year exceed your share of the Fund's net income and net realized capital gains. A return of capital distribution is not included in your income for tax purposes, but will reduce the ACB of your Units on which it was paid. Where net reductions to the ACB of Units would result in an ACB becoming a negative amount, such amount will be treated as a capital gain realized by you and the ACB of your Units will then be adjusted to nil.

Management fees paid by you on Series O Units will not be deductible for tax purposes.

We provide you with T3 tax slips showing the amount and type of distributions (ordinary income, Canadian dividends, returns of capital, foreign income and/or capital gains) you received from each Fund.

Adjusted cost base

Your ACB must be determined separately for each Series of Units you own in a Fund. The aggregate ACB of your Units in a Series of a Fund is made up of:

- The amount you paid for your Units, including sales commissions, plus
- Any reinvested distributions, minus
- Any return of capital distributions, minus
- The ACB of any Units already redeemed.

Your tax advisor can help you with these calculations.

Buying Units before a distribution date

The NAV per Unit of a Series of any Fund at any time may reflect 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.

Portfolio turnover rate

The portfolio turnover rate is how often the portfolio manager or portfolio management team buys and sells securities for a Fund. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio one time in the course of a year. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund in a year and the greater the chance that the Fund will have realized gains on the sale of investments, and therefore that you will receive a distribution of capital gains. Any gains realized by the Fund would be offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

Tax impact of redeeming your Units

If you redeem Units with a NAV that is greater than the ACB, you will have a capital gain, but if you redeem Units with a NAV that is less than the ACB, you will have a capital loss. You may deduct any reasonable redemption expenses in calculating your capital gains or losses.

Generally, one-half of a capital gain is included in your income and you may deduct one-half of your capital losses from your taxable capital gains, subject to certain tax rules.

You must keep a record of the price you paid for your Units, any distributions you receive and the NAV of Units redeemed or switched. This record will allow you to calculate your ACB and capital gains or capital losses when you redeem your Units.

Tax impact of switching between the Funds or reclassifying between Series of the same Fund

Switching Units of a Fund for Units of another Fund is considered a sale and purchase and will be treated as a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.

A reclassification of Units of one Series of a Fund to Units of another Series of the same Fund does not generally result in a disposition and therefore will not result in a capital gain or capital loss. However, any redemption of Units to pay any applicable fees upon a switch or a reclassification of Units will be considered a disposition for tax purposes and the same tax rules apply as if you redeemed those Units.

Registered plans

You generally do not pay tax on distributions you receive in a registered plan. In addition, you will not pay tax on any capital gains realized by the registered plan from redeeming or otherwise disposing of the Units, including upon a switch of Units of a Fund for Units of another Fund, while the proceeds of disposition remain in the registered plan. However, most withdrawals from such registered plans (other than a withdrawal from a TFSA and certain permitted withdrawals from RESPs and RDSPs) are generally taxable. In which case, you will generally pay tax on the amount you withdraw at your marginal tax rate. If you intend to purchase Units of the Funds through a registered plan, you should consult with your own tax advisor as to whether the Units would be a “prohibited investment” under the Tax Act in your particular circumstances.

Tax information reporting

The Fund has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, Foreign Account Tax Compliance Act (referred to as “**FATCA**”) and the OECD’s Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act) (collectively referred to as “**CRS**”). Generally, Unitholders (or in the case of certain Unitholders that are entities, the “controlling persons” thereof) will be required by law to provide their advisor or dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a Unitholder (or, if applicable, any of its controlling persons) (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of a country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the Unitholder (or, if applicable, its controlling persons) and their investment in the Fund will generally be reported to the CRA unless the Units are held within a registered plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service, and, in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or has otherwise agreed to a bilateral information exchange with Canada under CRS.

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within 2 business days after you receive the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours after you receive confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, AIF, Fund Facts or financial statements misrepresent any facts about the Fund. You must usually exercise these rights within a certain time period.

You can get more information by reviewing the securities legislation of your province or territory, or from your lawyer.

Specific information about each of the mutual funds described in this document

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

Fund details

This tells you:

- **Fund type:** the type of mutual fund
- **Securities offered:** the Series of Units that the Fund offers. Currently, each of the Funds offers Series A and Series F Units. Lysander-Canso U.S. Short Term and Floating Rate Fund also offers Series O Units.
- **Start date:** the date that Units could first be bought by the public; prior to the start date, Series F Units (and certain other Series) of Lysander-Canso Credit Opportunities Fund were sold on a private placement basis to qualified purchasers
- **Registered plan eligibility:** whether Units of the Funds are qualified investments for registered plans
- **Management fee:** the fee payable to the Manager in respect of each Series of the Fund
- **Portfolio manager:** the entity that is responsible for selecting the investments for each Fund

What does the Fund invest in?

This tells you the Fund's:

- **Investment objective:** the goals of the Fund, including any specific focus it has and the kinds of securities in which it may invest
- **Investment strategies:** how the portfolio manager tries to meet the Fund's investment objectives

Each Fund may invest in other mutual funds, which may or may not be managed by us or one of our affiliates or associates. The simplified prospectus and other information about the underlying funds are available on the Internet at www.sedar.com.

In selecting underlying funds, the portfolio manager assesses a variety of criteria, including management style, investment performance and consistency, risk tolerance levels, calibre of reporting procedures and, if the underlying fund is managed by a third party, quality of the underlying fund's investment fund manager and/or portfolio manager.

The portfolio manager reviews and monitors the performance of the underlying funds in which a Fund invests. The review process consists of an assessment of the underlying funds. Factors such as adherence to stated investment mandate, returns, risk-adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered.

What are the risks of investing in the Fund?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means in *What are the specific risks of investing in a mutual fund?* beginning on page 2.

Investment risk classification methodology

We identify the investment risk level of a Fund as an additional guide to help you decide whether the Fund is right for you. Each Fund is assigned a risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high or high.

The investment risk level of the Funds is required to be determined in accordance with a standardized risk classification methodology that is based on the relevant Fund's historical volatility as measured by the 10-year annualized standard deviation of the returns of the Fund. The use of standard deviation as a measurement tool allows for a reliable and consistent quantitative comparison of a Fund's relative volatility and related risk. Standard deviation is widely used to measure volatility of return. The standard deviation represents, generally, the level of volatility in returns that a Fund has historically experienced over the set measurement periods. The higher the standard deviation of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

For a Fund that does not have a 10-year return history, we calculate the investment risk level of such Fund by using the actual return history of the Fund and, for the remainder of the 10-year period, the return history of one or more reference indices that reasonably approximates the standard deviation of the Fund. The reference index used for each Fund for this purpose is set out below:

Lysander-Canso U.S. Short Term and Floating Rate Fund

Reference Index	Description
ICE BofA 1-5 Year US Corporate & Government Index	ICE BofA 1-5 Year US Corporate & Government Index tracks U.S. bonds with a term to maturity of 1 to 5 years. It assumes the reinvestment of all coupon interest earned.

Lysander-Canso Credit Opportunities Fund

Reference Index	Description
FTSE Canada All Corporate Bond Index	The FTSE Canada All Corporate Bond Index measures the performance of the Canadian corporate bond sector. It is comprised primarily of semi-annual pay fixed rate corporate bonds issued domestically in Canada.

Lysander-Triasima All Country Long/Short Equity Fund

Reference Index	Description
HFRI Equity Hedge (Total) Index (CAD)	The HFRI Equity Hedge (Total) Index (CAD) tracks investment managers who maintain positions both long and short in primarily equity and equity derivative securities.

Other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund's historical volatility may not be indicative of its future volatility.

Although monitored on an ongoing basis, we review the investment risk level of each Fund on an annual basis and each time a material change is made to a Fund's investment strategies and/or investment objective. We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that that Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The method that we use to identify the investment risk level of each Fund is available on request, at no cost, by calling us at 1-877-308-6979 or by sending an email to manager@lysanderfunds.com.

Who should invest in this Fund?

This section will help you decide whether a Fund is right for you. **This information is only a guide.** When you are choosing investments, you should, together with your investment and tax advisor, consider your whole portfolio, your investment objectives and your risk tolerance level.

Distribution policy

This tells you how often you will receive a distribution and how it is paid.

Each of the Funds has the ability to make distributions as returns of capital.

Fund expenses indirectly borne by investors

Each Fund pays the applicable Management Fee and performance fee (if earned) to the Manager and is also responsible for the payment of other operating expenses. The Management Fee, the performance fee (if earned) and the other operating expenses are paid out of the assets of the Fund, which means that you indirectly pay for these expenses through lower returns.

The table in this section lets you compare the cost of investing in each Series of Units of the Fund with the cost of investing in other mutual funds. The table shows the cumulative expenses you would have paid if:

- you invested \$1,000 for the periods shown;
- the Fund's return was 5% each year; and
- the Fund had the same MER in each period shown as it did in its last completed financial year, but excluding any performance fees paid in a year which would not have been paid had the Fund earned a total return of five percent in its last completed financial year.

The Management Fee is described on page 18 of this Simplified Prospectus, and is charged at rates shown under *Fund Details* for each Fund, beginning on page 29. The performance fee is described on page 18. The table does not reflect the trading expenses and certain taxes borne by a Fund, as such expenses are not included in the MER in accordance with law. The table only includes information for Series that have issued Units under a prospectus and that have completed a financial year.

See *Fees and expenses* on page 17 for more information about the costs of investing in the Funds.

Lysander-Canso U.S. Short Term and Floating Rate Fund

Fund Details

Fund type	U.S. Fixed Income
Securities offered	Series A, Series F and Series O Units of a unit trust
Start date	Series A: May 11, 2021 Series F: May 11, 2021 Series O: May 11, 2021
Registered plan eligibility	Expected to be a qualified investment for registered plans
Management fee	Series A: 1.05% Series F: 0.55% Series O: Negotiated and paid directly by each investor
Portfolio manager	Canso Investment Counsel Ltd. Richmond Hill, Ontario

income securities denominated in U.S. dollars. The Fund's investments are not constrained by credit ratings except, at time of purchase, no more than 25% of the Fund's net asset value will be invested in below-investment grade fixed income securities in the opinion of the portfolio manager. The Fund's investments will also tend to be concentrated in debt securities with a term-to-maturity of five years or less although the Fund could hold debt securities with a longer term to maturity as long as the weighted average term-to-maturity of all the securities held in the Fund at the time of purchase is less than five years. In calculating the weighted average term-to-maturity of the securities in the Fund, the Manager may exclude securities whose coupon payments fluctuate or "float" with respect to a reference interest rate such as the London Interbank Offered Rate (LIBOR), the Secured Overnight Financing Rate (SOFR) or the equivalent in other countries.

What does the Fund invest in?

Investment objective

The Fund's objective is to provide total return by investing primarily in investments in U.S. dollar denominated short term fixed income and floating rate debt securities of Canadian and foreign issuers.

The investment objective of the Fund can only be changed with the approval of a majority of the Unitholders at a meeting called for such purpose.

Investment strategies

The Fund's portfolio will, under normal circumstances, be invested primarily in fixed income and floating rate debt securities, including those of foreign issuers. It also may invest in debt securities convertible into common stock, and fixed income securities of governments, government agencies, supranational agencies, companies, trusts and limited partnerships. The Fund may invest in securities of other mutual funds (including ETFs), as described on page 26. The Fund will not be leveraged.

The Fund achieves its investment objective by investing primarily in a diversified portfolio of fixed

With respect to selecting investments for the Fund, the portfolio manager takes a "bottom up" approach to portfolio construction, focusing on security selection and then adjusting the portfolio to stay within its duration and credit targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities.

The Fund may also purchase foreign currencies in the form of bank deposits.

The Fund may use derivatives such as forwards, options, swaps and other derivative instruments for hedging purposes such as to hedge some or all of its currency exposure or to provide protection for the Fund's portfolio. The Fund will only make these investments as permitted by Canadian securities regulatory authorities. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 4.

The Fund may also engage in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by securities regulations (please see *Short selling risk* on page 8 for a

description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities).

The Fund may hold all or a portion of its assets in cash or cash equivalents or invest in short term bonds or money market instruments in response to adverse market, economic and/or political conditions or for liquidity, defensive or other purposes. As a result, the Fund may not be fully invested in accordance with its investment objective.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to seek to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. For a description of these transactions and how the Fund reduces the risks associated with these transactions, please see the discussion under *Repurchase, reverse repurchase and securities lending risk* on page 8.

What are the risks of investing in the Fund?

The following are the material risks associated with an investment in the Fund:

- Active management risk
- Concentration risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Debt securities risk
- Derivatives risk
- Equity risk
- Exchange-traded fund risk
- *Force majeure* risk
- Foreign investment risk
- IBOR transition risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Repurchase, reverse repurchase and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tax risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 2.

As at May 11, 2021, the Manager held 100% of the issued and outstanding Units of the Fund. Please see *Large transaction risk* on page 7 for a description of the risks associated with possible redemption requests by this investor.

Who should invest in this Fund?

This Fund may be suitable for you if you:

- plan to hold this investment for the medium term and you wish to invest in a fund that is primarily denominated in U.S. dollars; and
- you primarily want to receive interest income, and can handle the currency volatility associated with fixed income investments denominated in U.S. dollars.

In accordance with the methodology described on page 27, we have rated the Fund as **low** risk.

Distribution policy

The Fund's policy is to pay distributions quarterly. Distributions may include income, capital gains and/or returns of capital. The Fund may make additional distributions from time to time throughout the year at our discretion, including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions will be distributed on such basis as we may determine. In each taxation year, the Fund will distribute to its investors a sufficient amount of the Fund's net income and net capital gains as will result in the Fund paying no ordinary income tax under Part I of the Tax Act. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net realized capital gains, a distribution will be paid to Unitholders at the end of the year.

All distributions by the Fund will be reinvested automatically in additional Units of the same Series of the Fund held by you at the NAV thereof, unless you provide your dealer a written request that you wish to receive distributions in cash. Cash distributions will be paid in U.S. Dollars. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the Units upon which the distributions were paid.

Fund expenses indirectly borne by investors

This information is not yet available because the Fund is new.

Lysander-Canso Credit Opportunities Fund

Fund Details

Fund type	Global Fixed Income Alternative Mutual Fund
Securities offered	Series A and Series F Units of a unit trust
Start date	Series A: May 11, 2020 Series F: May 11, 2020 (offered on a private placement basis since March 31, 2014)
Registered plan eligibility	Qualified investment for registered plans
Management fee	Series A: 1.25% Series F: 0.75%
Portfolio manager	Canso Investment Counsel Ltd. Richmond Hill, Ontario

currency exposures. Long, short or market neutral positions may be taken.

With respect to selecting investments for the Fund, the portfolio manager takes a “bottom up” approach to portfolio construction focusing on security selection and then adjusting the portfolio to stay within its duration and term targets. The exposure to credit risk depends on the phase of the credit cycle and the bottom up valuation of individual securities.

The Fund may purchase additional securities which may include, but are not limited to, equity securities, income trusts and exchange-traded funds. The aggregate exposure to securities other than bonds, notes, debentures, loans and other credit instruments including securities received as a result of exchanges, recapitalization and other reorganizations is (generally) limited to 20% of the Fund’s net asset value at the time of investment. The Fund may from time to time also invest in a significant amount of cash and/or cash equivalents.

The Fund may invest up to 100% of its net assets in foreign securities.

The Fund may engage in various other investment strategies including short-selling in an effort to hedge various market risks (such as interest rates, currency exchange rates, and broad or specific equity market movements) or to manage the effective maturity or duration of fixed-income securities or the Fund’s exposure to various securities markets (please see *Short selling risk* on page 8 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities). A short selling strategy that will be used by the Fund from time to time will be to enter into long positions in corporate bonds while hedging the interest rate risk of those bonds by taking short positions in government bonds including those that meet the definition of “government securities” as defined in NI 81-102.

The Fund may use financial leverage, including a loan facility and margin purchases, up to 30% of the net asset value of the Fund by borrowing funds against the assets of the Fund.

What does the Fund invest in?

Investment objective

The Fund’s objective is to achieve long term capital growth by investing in, or gaining exposure to, a diversified portfolio composed primarily of debt and money market securities. The Fund will use alternative investment strategies such as engaging in short sales and purchasing securities on margin or with borrowed funds.

The investment objective of the Fund can only be changed with the approval of a majority of the Unitholders at a meeting called for such purpose.

Investment strategies

The Fund seeks to achieve returns through a portfolio that primarily invests in, or has exposure to, corporate bonds of Canadian and foreign issuers. Portfolio investments may include higher risk securities and the Fund may take large portfolio exposures to specific countries, market sectors, market movements or other investment insights.

The Fund’s portfolio, under normal circumstances, will be invested in or have exposure primarily to bonds, notes, debentures, loans and other credit instruments of Canadian and foreign issuers. The Fund may also invest in options, derivatives and

Absent exemptive relief, the combined use of short selling and cash borrowing is subject to an overall limit of 50% of the Fund's net asset value (collectively, the "**Short Selling Limits**"). The Fund has obtained exemptive relief from the Canadian securities regulatory authorities from the Short Selling Limits to permit 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 (and described further below).

The Fund may engage in derivatives transactions for hedging or non-hedging purposes including entering into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or over-the-counter) on currencies, securities, or related futures and enter into repurchase agreements. The Fund may also purchase foreign currencies directly. The Fund will only make these investments in accordance with its investment objective and as permitted by Canadian securities regulatory authorities. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 4.

The Fund's aggregate exposure to short selling, cash borrowing and specified derivatives, calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

The Fund may invest in securities of other mutual funds, as described on page 26.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to seek to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. For a description of these transactions and how the Fund reduces the risks associated with these transactions, please see the discussion under *Repurchase, reverse repurchase and securities lending risk* on page 8.

What are the risks of investing in the Fund?

The Fund is an alternative mutual fund. This means it may invest in asset classes or use investment strategies

that are not permitted for other types of mutual funds. The specific strategies that differentiate this Fund from other types of mutual funds include the increased ability to sell securities short, increased use of derivatives for non-hedging purposes and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

The following are the material risks associated with an investment in the Fund:

- Active management risk
- Concentration risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Debt securities risk
- Derivatives risk
- Equity risk
- Exchange-traded fund risk
- *Force majeure* risk
- Foreign investment risk
- IBOR transition risk
- Interest rate risk
- Large transaction risk
- Leverage risk
- Liquidity risk
- Repurchase, reverse repurchase and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tax risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 2.

As at April 30, 2021, one Unitholder held approximately 12.3% of the issued and outstanding Units of the Fund. Please see *Large transaction risk* on page 7 for a description of the risks associated with possible redemption requests by this investor.

Who should invest in this Fund?

This Fund may be suitable for you if you wish to have exposure to fixed income securities in your investment

portfolio and plan to hold this investment for the medium to long term.

This Fund is not suitable for you if you cannot accept the purchase frequency (monthly) or the redemption frequency (monthly) of the Fund.

In accordance with the methodology described on page 27, we have rated the Fund as **low-to-medium** risk.

Distribution policy

The Fund's policy is to pay distributions quarterly. Distributions may include income, capital gains and/or returns of capital. The Fund may make additional distributions from time to time throughout the year at our discretion, including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions will be distributed on such basis as we may determine. In each taxation year, the Fund will distribute to its investors a sufficient amount of the Fund's net income and net capital gains as will result in the Fund paying no ordinary income tax under Part I of the Tax Act. To the extent that the Fund has not otherwise distributed a sufficient amount of its net

income or net realized capital gains, a distribution will be paid to Unitholders at the end of the year.

All distributions by the Fund will be reinvested automatically in additional Units of the same Series of the Fund held by you at the NAV thereof, unless you provide your dealer a written request that you wish to receive distributions in cash. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the Units upon which the distributions were paid.

Fund expenses indirectly borne by investors

Please see *Fund expenses indirectly borne by investors* on page 28 for a description of the expenses included in, and the assumptions required to be used in, this table. Our actual costs may be higher or lower.

Time Period	Series A	Series F
One Year	\$38.42	\$50.34
Three Years	\$121.11	\$158.69
Five Years	\$212.27	\$278.15
Ten Years	\$483.19	\$633.16

Lysander-Triasima All Country Long/Short Equity Fund

Fund details

Fund type	Global Equity Alternative Mutual Fund
Securities offered	Series A and Series F Units of a unit trust
Start date	Series A: May 11, 2020 Series F: May 11, 2020
Registered plan eligibility	Qualified investment for registered plans
Management fee	Series A: 1.90% Series F: 0.90%
Portfolio manager	Triasima Portfolio Management Inc. Montréal, Québec

What does the Fund invest in?

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.

The investment objective of the Fund can only be changed with the approval of a majority of the Unitholders at a meeting called for such purpose.

Investment strategies

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.

The portfolio manager's process in selecting a portfolio of securities is based on a combination of qualitative fundamental selection criteria, attractive financial parameters and other positive attributes. In the selection of the securities, the portfolio manager's philosophy is that using more than one method for securities analysis and portfolio construction is a preferable approach, and an effective and appropriate manner to build investment portfolios. The portfolio manager uses the following analytical methods to analyze financial markets and companies and their securities: Fundamental Analysis, Quantitative Analysis and Trend Analysis.

The Fund may invest up to 100% of its net assets in foreign securities.

The Fund engages in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by securities regulations (please see *Short selling risk* on page 8 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities).

The Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value.

The Fund's aggregate exposure to short selling, cash borrowing and specified derivatives, calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

The Fund may invest in securities of other mutual funds, as described on page 26.

The Fund may hold all or a portion of its assets in cash or cash equivalents or invest in short term bonds or money market instruments in response to adverse market, economic and/or political conditions or for liquidity, defensive or other purposes. As a result, the Fund may not be fully invested in accordance with its investment objective.

The Fund may engage in derivatives transactions for hedging or non-hedging purposes including entering into forward currency contracts and currency and security futures contracts and related options, purchase and sell options (exchange traded or over-the-counter) on currencies, securities, or related futures. The Fund may also purchase foreign currencies directly to reduce the impact of currency fluctuations on the Fund or to provide protection for the Fund's portfolio. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 4.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to seek to earn additional returns, subject, in each case, to limits at least as stringent as those required by Canadian securities regulatory authorities. For a description of these transactions and how the Fund reduces the risks associated with these transactions, please see the discussion under *Repurchase, reverse repurchase and securities lending risk* on page 8.

What are the risks of investing in the Fund?

The Fund is an alternative mutual fund. This means it may invest in asset classes or use investment strategies that are not permitted for other types of mutual funds. The specific strategies that differentiate this Fund from other types of mutual funds include the increased ability to sell securities short, increased use of derivatives for non-hedging purposes and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Fund's investment objective and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value.

The following are the material risks associated with an investment in the Fund:

- Active management risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Debt securities risk
- Depositary receipts risk

- Derivatives risk
- Equity risk
- Exchange-traded fund risk
- *Force majeure* risk
- Foreign investment risk
- IBOR transition risk
- Interest rate risk
- Large transaction risk
- Leverage risk
- Liquidity risk
- Repurchase, reverse repurchase and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Tax risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 2.

As at April 30, 2021, one Unitholder held approximately 14.8% of the issued and outstanding Units of the Fund. Please see *Large transaction risk* on page 7 for a description of the risks associated with possible redemption requests by this investor.

Who should invest in this Fund?

This Fund may be suitable for you if:

- you plan to hold this investment for the long term; and
- you want to gain equity exposure and can handle the volatility associated with equity investments.

In accordance with the methodology described on page 27, we have rated the Fund as **low-to-medium** risk.

Distribution policy

In each taxation year the Fund will distribute to its investors a sufficient amount of the Fund's net income and net capital gains between December 14 and December 31 as will result in the Fund paying no ordinary income tax under Part I of the Tax Act. The Fund may make additional distributions from time to time throughout the year at our discretion, including distributions on account of reduced management fee arrangements with certain investors such as institutional investors. Management Fee Distributions will be distributed on such basis as we may determine.

Lysander-Triasima All Country Long/Short Equity Fund

All distributions by the Fund will be reinvested automatically in additional Units of the same Series of the Fund held by you at the NAV thereof, unless you provide your dealer a written request that you wish to receive distributions in cash. No commissions are payable upon automatic reinvestment of distributions. Reinvested distributions will be redeemed on a pro rata basis with the Units upon which the distributions were paid.

Fund expenses indirectly borne by investors

Please see *Fund expenses indirectly borne by investors* on page 28 for a description of the expenses included

in, and the assumptions required to be used in, this table. Our actual costs may be higher or lower.

Time Period	Series A	Series F
One Year	\$22.91	\$12.51
Three Years	\$72.24	\$39.45
Five Years	\$126.62	\$69.14
Ten Years	\$288.22	\$157.39

Lysander-Canso U.S. Short Term and Floating Rate Fund
Lysander-Canso Credit Opportunities Fund
Lysander-Triasima All Country Long/Short Equity Fund

You can find more information about each Fund in the Funds' Annual Information Form, each Fund's Fund Facts and management report of fund performance and financial statements. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-308-6979** or ask your dealer. These documents and other information about the Funds, such as information circulars and material contracts, are also available at **www.lysanderfunds.com** or **www.sedar.com**.