

Annual Management Report of Fund Performance
As at December 31, 2016

Lysander-Triasima All Country Equity Fund



TRIASIMA



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A Note About Forward Looking Statements

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

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

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

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

About This Report

This annual Management Report of Fund Performance of Lysander-Triasima All Country Equity Fund (the “Fund”) contains financial highlights for the year ended December 31, 2016 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the annual financial statements of the Fund for the year ended December 31, 2016. Lysander Funds Limited (the “Manager”) is the manager of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling toll-free 1 877 308 6979, by writing to us at Lysander Funds Limited, 100 York Boulevard Suite 501, Richmond Hill Ontario, L4B 1J8, by visiting our website at www.lysanderfunds.com or at SEDAR at www.sedar.com.

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

Investment objective

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

Investment Strategies

The Fund’s portfolio manager is Triasima Portfolio Management Inc. (“Portfolio Manager” or “Triasima”). The Fund’s portfolio positions will be primarily in equity securities of companies globally, including American Depositary Receipts and Global Depositary Receipts. The Fund will not be leveraged. The Fund

may invest up to 100% of its assets in foreign securities. More details are contained in the Fund’s simplified prospectus.

Risks

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

Results of Operations

The performance of the Lysander-Triasima All Country Equity Fund was in line with its benchmark, the MSCI ACWI Index (the “Index”), over the last six months of 2016. Series A performance was 9.0% and Series F was 9.5% versus 10.0% for the Index. Since inception, one year ago, the Index has returned 4.8% while Series A and Series F posted returns of 6.0% and 5.7% respectively.

Two elements account for most of the relative performance, one positive and one negative. The negative one is the election of Donald Trump as president of the United States. His pro-growth agenda caused interest rates to rise in the United States and the yield curve to steepen. This was very beneficial to the stock prices of American banks and life insurance companies, which the Fund did not hold as those industries had previously done poorly and were still deemed unattractive. In addition, from a geographic perspective, Trump’s USA centric agenda and the reflation trade it caused pushed up the value of the US dollar, leaving emerging countries equity markets behind. This was detrimental to the Fund’s performance since most of its non-US holdings are from emerging countries, and not from Europe, Britain, or Japan. Finally, the Fund’s overweight in the Utilities sector and its exposure to precious metals hindered returns as

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these suffered late in the year from the generalized rise in interest rates.

The positive element was the Fund's position in Nvidia, a graphics chips manufacturer in the Information Technology sector, which was up 135% over the second half of 2016. Nvidia is experiencing rapidly increasing demand for its graphics processors from traditional gamers as well as datacenters.

Other positive contributors to performance include Whistler Blackcomb that rose 51% as it was the target of a takeover bid by Vail Resorts. The OPEC agreement to cut production by 1.3 million barrels per day effective January 1, 2017 spurred a rally in the oil price and oil related equities. This helped the Fund as securities held responded well to that development. In addition, Transportadora de Gas del Sur, a natural gas pipeline company operating in Argentina, climbed 38% as industry regulations were liberalized.

The net assets of the Fund increased to \$497 thousand from \$155 thousand at the start of the period. This was due to capital appreciation and net subscriptions of \$294 thousand.

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

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

Recent Developments

Notwithstanding the geopolitical risk, the worldwide economic situation improved during the second half of the year. The United States economy bounced back from a weak first half as Gross Domestic Product rose and unemployment fell. The current expansion is getting long in the tooth in this country at 90 months as the economy approaches full employment. The Eurozone continued to muddle along its recovery. Japan was on pace for a moderate recovery, thanks to stronger exports which are bolstered by a weaker yen.

More specifically, despite soft capital investments and a strong dollar, the United States economy accelerated, supported by solid household spending, consumer confidence, and employment. GDP rose at a brisk pace at 3.5% for the third quarter of 2016 while unemployment finished the year low at 4.7%. The Federal Reserve recognized the economic strength and raised rates 0.25% in December, also signaling a faster pace of interest rate increases going into 2017. The fundamentally sound U.S. economy is set to be bolstered even further by the

election of Donald Trump. Trump's aggressive plan of tax cuts and fiscal spending will no doubt add fuel to the fire.

The Eurozone economy improved as the year progressed, helped by loose monetary policies and an improving labor market. The Brexit vote surprised the markets, but there is no major sign of economic shock to the Eurozone or to the UK economy. However, we would expect some volatility in 2017 as France, Germany, and the Netherlands head for elections.

The Bank of Japan pursued its program of quantitative easing (QE) and will continue to cap 10-year bonds at around zero in an effort to steepen the yield curve and progress towards a 2% inflation target. Inflation remains at 0% almost four years into the Bank's monetary stimulus. The Japanese yen has weakened versus the U.S. dollar which is a boon to a country like Japan which exports a large proportion of its products abroad.

Canada's economy recovered from a difficult second quarter, helped by increases in exports and consumption. The Canadian GDP improved at a 3.5% annualized pace in the third quarter of 2016, versus a 1.6% contraction in the second quarter, the latter largely because of the Alberta wildfires at the time. Expectations are for a solid 2017. The housing sector remains strong. However, like in the US, economic growth is hindered by soft capital spending while public infrastructure spending is picking up.

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

There were changes to the membership of the Fund's Independent Review Committee ("IRC"). Merri Jones resigned on November 28, 2016, and on January 31, 2017 Ruth Gould was appointed as an IRC member.

Related Party Transactions

The Manager provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services. The Manager receives a management fee for these services. The fee is calculated based on a percentage of the net asset value of the Fund as disclosed in the simplified prospectus.

The Fund paid \$4,298 (including HST) in management fees to the Manager for the period ended December 31, 2016 (December 31, 2015: Nil).

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The Portfolio Manager is responsible for all investment advice provided to the Fund including providing investment analysis and recommendations, making investment decisions and arranging for the acquisition and disposition of portfolio investments. Fees for providing these services are included in the management fee.

The Manager paid \$1.594 (including HST) to the Portfolio Manager for the period ended December 31, 2016 (December 31, 2015: Nil).

The Fund did not rely on any approval, positive recommendation or standing instruction from its IRC with respect to any related party transactions.

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Financial Highlights

Series A*

Years ended	31-Dec-16	31-Dec-15
Net assets per unit¹		
Net assets, beginning of year	\$ 10.00	\$ -
Operations:		
Total revenue	0.15	-
Total expenses	(0.23)	-
Realized gains (losses)	(0.36)	-
Unrealized gains (losses)	1.04	-
Total increase (decrease) from operations ²	\$ 0.60	\$ -
Distributions:		
From income (excluding dividends)	\$ -	\$ -
From dividends	(0.06)	-
From capital gains	-	-
Total Distributions ^{2 3}	\$ (0.06)	\$ -
Net assets, end of year ^{2 3}	\$ 10.54	\$ -
Ratios and supplemental data		
Net asset value ⁴	\$ 5,300	\$ -
Units outstanding	503	-
Management expense ratio ⁵	% 2.21	% -
Management expense ratio before waivers or absorption	8.31	-
Portfolio turnover rate ⁶	64.0	-
Trading expense ratio ⁷	0.4	-
Net asset value per unit, end of year	\$ 10.54	\$ -

Notes

* The Fund became a reporting issuer on December 31, 2015 and accordingly prior period numbers are not available.

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

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

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

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

5 The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period.

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

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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Series F*

Years ended	31-Dec-16	31-Dec-15
Net assets per unit¹		
Net assets, beginning of year	\$ 10.00	\$ -
Operations:		
Total revenue	0.16	-
Total expenses	(0.13)	-
Realized gains (losses)	(0.37)	-
Unrealized gains (losses)	1.58	-
Total increase (decrease) from operations ²	\$ 1.24	\$ -
Distributions:		
From income (excluding dividends)	\$ -	\$ -
From dividends	(0.01)	-
From capital gains	-	-
Total Distributions ^{2 3}	\$ (0.01)	\$ -
Net assets, end of year ^{2 3}	\$ 10.56	\$ -
Ratios and supplemental data		
Net asset value ⁴	\$ 491,765	\$ -
Units outstanding	46,575	-
Management expense ratio ⁵	% 1.20	% -
Management expense ratio before waivers or absorption	6.47	-
Portfolio turnover rate ⁶	64.0	-
Trading expense ratio ⁷	0.4	-
Net asset value per unit, end of year	\$ 10.56	\$ -

Notes

* The Fund became a reporting issuer on December 31, 2015 and accordingly prior period numbers are not available.

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

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

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

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

5 The management expense ratio is based on the total expenses of the period ended and is expressed as an annualized percentage of daily average net asset values during the period.

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

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

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Management Fees

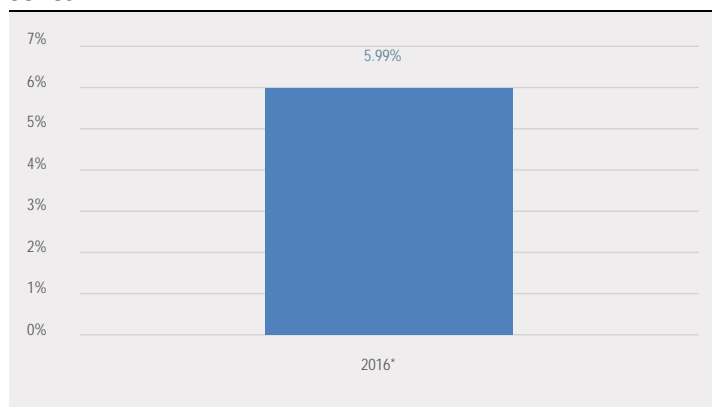
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a monthly management fee, based on the net asset value of each Series, calculated daily and payable monthly. The Fund pays a management fee of 2.00% per annum for Series A units and 1.00% per annum for Series F units.

Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 50% of the management fee of Series A units.

Year-by-Year Returns

Series A

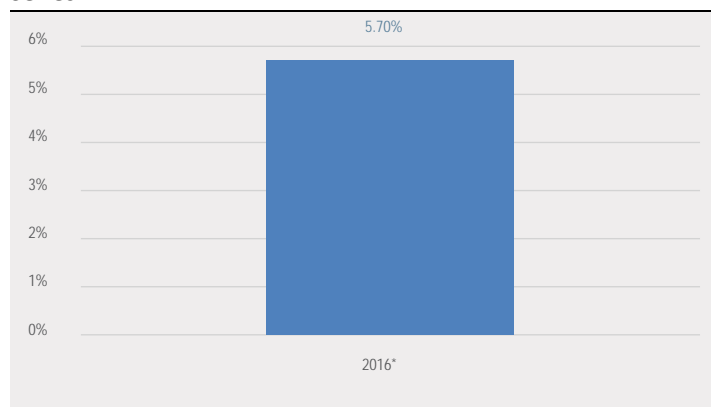


Past Performance

The Fund became a reporting issuer on December 31, 2015. Accordingly, returns are shown for the relevant period as indicated below.

The performance information assumes that any distributions are reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the series will perform in the future.

Series F



* For the period January 1 to December 31

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Annual Compound Returns

The following table shows the Fund's annual compound return for each period indicated, compared with MSCI All Country World (CAD) Index (the "Index"). The returns of the Index are calculated without the deduction of fees and expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

For years ended December 31, 2016		1 Year		Since Inception ²	
Annual Compound Return					
Series A ¹	%	5.99	%	5.99	
Series F ¹		5.70		5.70	
MSCI All Country World (CAD) Index ³	%	4.78	%	4.78	

Notes

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

2 Period starting from December 31, 2015. Since inception returns are annualized.

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Summary of Investment Portfolio

% of NAV			% of NAV		
Top 25 Issuers			Asset Mix		
NVIDIA Corp	%	6.5	Canadian Equities	%	2.3
Cash and Cash Equivalents		4.2	Cash and Cash Equivalents		4.2
Saneamento Basico		4.0	Foreign Equities		85.7
Transportadora de Gas del Sur S.A.		3.9	Other Assets less Liabilities		7.7
Cosan Ltd. CI A		3.9	Total	%	100.0
Granite Construction Inc.		3.7	Sector Mix		
Microsoft		3.4	Cash and Cash Equivalents	%	4.2
Telekomunikasi Indonesia		3.2	Consumer Discretionary		2.9
Facebook		3.1	Consumer Staples		6.9
Sociedad Quimica y Minera		3.1	Energy		10.9
Halliburton Company		2.9	Financials		13.7
Grupo Financiero Galicia SA (Argentina)		2.9	Healthcare		1.9
Banco Macro		2.6	Industrials		8.1
Vulcan Materials Company		2.5	Information Technology		20.9
Chile Capped Investable Market Index		2.5	Materials		9.4
Caci International Inc.		2.5	Other Assets less Liabilities		7.7
Constellation Brands Inc.		2.5	Telecommunication Services		3.2
Tesoro Corp		2.4	Utilities		10.2
Northland Power Inc.		2.3	Total	%	100.0
Old Dominion Freight Line		2.3			
Vaneck Vectors		2.3			
Marsh & McLennan Co.		2.3			
Stepan Co.		2.2			
Chubb Ltd.		2.1			
Paychex Inc.		2.1			
Total	%	75.4			



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