

Interim Financial Statements (unaudited)
For the six month periods ended June 30, 2018 and 2017

Lysander-Canso Corporate Value Bond Fund



Lysander-Canso Corporate Value Bond Fund

Interim Financial Statements Six-Month Period Ended June 30, 2018 (unaudited)

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Lysander-Canso Corporate Value Bond Fund

Interim Statements of Financial Position (unaudited)

As at	30-Jun-18	31-Dec-17
Assets		
Financial assets at fair value through profit or loss*	\$ 2,268,777,192	\$ 1,968,812,477
Cash and cash equivalents	103,023,339	145,271,780
Accrued interest	11,340,709	11,666,687
Subscriptions receivable	7,419,646	3,639,518
Receivable from forward exchange contracts	2,573,916	7,762,185
Dividends receivable	89,335	74,558
Due from investment dealers	-	45,212
Total assets	\$ 2,393,224,137	\$ 2,137,272,417
Liabilities		
Due to investment dealers	\$ 99,279,000	\$ -
Redemptions payable	2,632,655	952,981
Accrued expenses	1,953,239	1,896,576
Total liabilities	\$ 103,864,894	\$ 2,849,557
Net assets attributable to holders of redeemable units	\$ 2,289,359,243	\$ 2,134,422,860
Net assets attributable to holders of redeemable units, per series		
Series A	\$ 423,406,909	\$ 418,056,559
Series A5	7,053,061	6,595,328
Series F	1,831,294,076	1,680,465,791
Series F5	27,605,197	29,305,182
Total net assets	\$ 2,289,359,243	\$ 2,134,422,860
Number of redeemable units outstanding		
Series A	37,924,290	37,473,830
Series A5	777,956	712,250
Series F	148,194,884	136,047,541
Series F5	2,979,243	3,106,933
Net assets attributable to holders of redeemable units per unit		
Series A	\$ 11.16	\$ 11.16
Series A5	9.07	9.26
Series F	12.36	12.35
Series F5	9.27	9.43
* Financial assets at fair value through profit or loss at cost	\$ 2,278,616,457	\$ 1,974,033,612

Interim Statements of Comprehensive Income (unaudited)

For the periods ended	30-Jun-18	30-Jun-17
Income		
Interest for distribution purposes	\$ 28,092,285	\$ 28,081,952
Dividend income	216,522	141,139
Other income	58,574	45,722
Realized and unrealized gain (loss) on investments		
Net realized gain on investments sold	15,760,650	5,657,685
Net realized (loss) gain on foreign currency	(4,282,111)	3,164,716
Change in (depreciation) appreciation unrealized on foreign currency	(1,926)	58
Change in (depreciation) appreciation unrealized on forward contracts	(5,188,269)	7,049,098
Change in (depreciation) unrealized on investments	(4,614,000)	(17,802,711)
Total operating income	\$ 30,041,725	\$ 26,337,659
Expenses		
Management fees	\$ 10,456,692	\$ 8,610,719
Fund administration fees	696,130	638,637
Audit fees	160,795	177,230
Blended HST expense	60,855	-
Custodial fees	54,008	50,180
Regulatory fees expense	53,576	-
Unitholder reporting expense	53,199	1,376
Legal fees	46,446	36,775
Independent review committee fees	16,874	13,115
Filing fees	13,756	42,678
Bank charges	8,439	437
Transaction costs	4,130	-
Total operating expenses	\$ 11,624,900	\$ 9,571,147
Withholding tax	\$ -	\$ 100,956
Total net operating expenses	\$ 11,624,900	\$ 9,672,103
Change in net assets attributable to holders of redeemable units from operations	\$ 18,416,825	\$ 16,665,556
Change in net assets attributable to holders of redeemable units from operations per Series, per series		
Series A	\$ 2,576,716	\$ 2,890,665
Series A5	42,864	39,077
Series F	15,542,884	13,319,289
Series F5	254,361	265,139
Series O	-	151,386
Change in total net assets	\$ 18,416,825	\$ 16,665,556
Change in net assets attributable to holders of redeemable units from operations per unit		
Series A	\$ 0.07	\$ 0.08
Series A5	0.06	0.08
Series F	0.11	0.12
Series F5	0.08	0.12
Series O	-	0.11

Lysander-Canso Corporate Value Bond Fund

Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

All Series

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ 2,134,422,860	\$ 1,526,290,761
Change in net assets attributable to holders of redeemable units from operations	18,416,825	16,665,556
Distributions to unitholders of redeemable units		
From net investment income	\$ (18,346,900)	\$ (20,612,414)
From management fee rebate income	(58,574)	(45,722)
	\$ (18,405,474)	\$ (20,658,136)
Redeemable unit transactions		
Proceeds from redeemable units issued		
Series A	\$ 51,338,628	\$ 95,703,754
Series A5	1,000,425	3,916,168
Series F	352,470,201	497,271,581
Series F5	2,286,581	25,220,201
Series O	-	18,835,771
Total proceeds	\$ 407,095,835	\$ 640,947,475
Cost of units redeemed		
Series A	\$ (48,217,037)	\$ (51,354,712)
Series A5	(420,894)	(664,298)
Series F	(212,664,694)	(127,171,897)
Series F5	(3,534,825)	(2,056,314)
Series O	-	(7,980)
Total cost	\$ (264,837,450)	\$ (181,255,201)
Reinvested distributions		
Series A	\$ 1,907,099	\$ 2,684,122
Series A5	25,203	20,569
Series F	10,676,518	11,647,283
Series F5	57,827	125,318
Series O	-	306,303
Total reinvested	\$ 12,666,647	\$ 14,783,595
Change in net assets attributable to holders of redeemable units for the period	\$ 154,936,383	\$ 470,483,289
Net assets attributable to holders of redeemable units, end of period	\$ 2,289,359,243	\$ 1,996,774,050

Series A

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ 418,056,559	\$ 363,902,125
Change in net assets attributable to holders of redeemable units from operations	2,576,716	2,890,665
Distributions to unitholders of redeemable units		
From net investment income	\$ (2,248,965)	\$ (3,230,419)
From management fee rebate income	(6,091)	(2,384)
Total distributions	\$ (2,255,056)	\$ (3,232,803)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 51,338,628	\$ 95,703,754
Cost of units redeemed	(48,217,037)	(51,354,712)
Reinvested distributions	1,907,099	2,684,122
Total redeemable	\$ 5,028,690	\$ 47,033,164
Change in net assets attributable to holders of redeemable units for the period	\$ 5,350,350	\$ 46,691,026
Net assets attributable to holders of redeemable units, end of period	\$ 423,406,909	\$ 410,593,151

Series A5

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ 6,595,328	\$ 3,036,047
Change in net assets attributable to holders of redeemable units from operations	42,864	39,077
Distributions to unitholders of redeemable units		
From net investment income	\$ (189,865)	\$ (118,233)
Total distributions	\$ (189,865)	\$ (118,233)
Redeemable unit transactions		
Proceeds from redeemable units issued		
	\$ 1,000,425	\$ 3,916,168
Cost of units redeemed	(420,894)	(664,298)
Reinvested distributions	25,203	20,569
Total redeemable	\$ 604,734	\$ 3,272,439
Change in net assets attributable to holders of redeemable units for the period	\$ 457,733	\$ 3,193,283
Net assets attributable to holders of redeemable units, end of period	\$ 7,053,061	\$ 6,229,330

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Interim Statements of Changes in Net Assets Attributed to Holders of Redeemable Units (unaudited)

Series F

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ 1,680,465,791	\$ 1,147,841,408
Change in net assets attributable to holders of redeemable units from operations	15,542,884	13,319,289
Distributions to unitholders of redeemable units		
From net investment income	\$ (15,144,141)	\$ (16,390,912)
From management fee rebate income	(52,483)	(43,338)
Total distributions	\$ (15,196,624)	\$ (16,434,250)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 352,470,201	\$ 497,271,581
Cost of units redeemed	(212,664,694)	(127,171,897)
Reinvested distributions	10,676,518	11,647,283
Total redeemable	\$ 150,482,025	\$ 381,746,967
Change in net assets attributable to holders of redeemable units for the period	\$ 150,828,285	\$ 378,632,006
Net assets attributable to holders of redeemable units, end of period	\$ 1,831,294,076	\$ 1,526,473,414

Series F5

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ 29,305,182	\$ 9,246,593
Change in net assets attributable to holders of redeemable units from operations	254,361	265,139
Distributions to unitholders of redeemable units		
From net investment income	\$ (763,929)	\$ (566,547)
Total distributions	\$ (763,929)	\$ (566,547)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ 2,286,581	\$ 25,220,201
Cost of units redeemed	(3,534,825)	(2,056,314)
Reinvested distributions	57,827	125,318
Total redeemable	\$ (1,190,417)	\$ 23,289,205
Change in net assets attributable to holders of redeemable units for the period	\$ (1,699,985)	\$ 22,987,797
Net assets attributable to holders of redeemable units, end of period	\$ 27,605,197	\$ 32,234,390

Series O

For the periods ended	30-Jun-18	30-Jun-17
Net assets attributable to holders of redeemable units, beginning of period	\$ -	\$ 2,264,588
Change in net assets attributable to holders of redeemable units from operations	-	151,386
Distributions to unitholders of redeemable units		
From net investment income	\$ -	\$ (306,303)
Total distributions	\$ -	\$ (306,303)
Redeemable unit transactions		
Proceeds from redeemable units issued	\$ -	\$ 18,835,771
Cost of units redeemed	-	(7,980)
Reinvested distributions	-	306,303
Total redeemable	\$ -	\$ 19,134,094
Change in net assets attributable to holders of redeemable units for the period	\$ -	\$ 18,979,177
Net assets attributable to holders of redeemable units, end of period	\$ -	\$ 21,243,765

Lysander-Canso Corporate Value Bond Fund

Interim Statements of Cash Flows (unaudited)

For the periods ended	30-Jun-18	30-Jun-17
Cash flows from (used in) operating activities		
Change in net assets attributable to holders of redeemable units from operations	\$ 18,416,825	\$ 16,665,556
Adjustments for:		
Foreign exchange loss on cash and cash equivalents	–	58
Net realized (gain) on sales of investments	(15,760,650)	(5,657,685)
Change in unrealized depreciation on investments	4,618,130	17,802,711
Change in unrealized depreciation (appreciation) on foreign currency	1,926	(58)
Purchase of investments	(1,083,989,956)	(742,037,566)
Proceeds from sale and maturity of investments	795,167,761	258,349,582
Due to investment dealers	99,279,000	(3,995,317)
Receivable from forward foreign exchange contracts	5,188,269	(5,803,774)
Redemptions payable	1,679,674	1,969,992
Accrued interest	325,978	1,270,088
Accrued expenses	56,663	332,494
Due from investment dealers	45,212	3,265
Dividends receivable	(14,777)	1,275
Subscriptions receivable	(3,780,128)	(3,292,182)
Prepaid Distribution	–	(15)
Payable on forward exchange contracts	–	(1,245,324)
Net cash from (used in) operating activities	\$ (178,766,073)	\$ (465,636,900)
Cash flows from (used in) financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	\$ (5,738,827)	\$ (5,874,541)
Proceeds from issuances of redeemable units	407,095,835	640,947,475
Amounts paid on redemption of redeemable units	(264,837,450)	(181,255,201)
Net cash from (used in) financing activities	\$ 136,519,558	\$ 453,817,733
Foreign exchange (loss) on cash and cash equivalents	\$ (1,926)	\$ –
(Decrease) in cash and cash equivalents during the period	(42,246,515)	(11,819,167)
Balance of cash and cash equivalents, beginning of period	145,271,780	21,514,241
Cash and cash equivalents at the end of period	\$ 103,023,339	\$ 9,695,074
Supplementary disclosures on cash flow from operating activities		
Interest received	\$ 28,418,335	\$ 29,461,504
Dividends received	201,745	142,413
Withholding tax	–	100,956
Interest paid	8,439	437

Interim Schedule of Investment Portfolio as at June 30, 2018 (unaudited)

Par Value/Number of Shares	Average Cost (\$)	Fair Value (\$)	
Canadian Equities (1.8%)			
516,026	Clearstream Energy Services Inc.	\$ 403,717	\$ 33,542
116,892	Postmedia Network Canada	14,176,519	116,892
9,782	Xplornet Comm Inc. Warrants Series A Dec 20, 2018 144A	134,391	929,810
11,252	Xplornet Comm Inc. Warrants Series B Dec 20, 2018 144A	276,860	427,711
25,890	Xplornet Comm Inc. Warrants Series C Oct 25, 2023 Restricted	9,939,179	12,218,450
20,957	Xplornet Comm Inc. Warrants Series D Oct 25, 2023	3,265,080	10,625,057
1,936,900	Yellow Pages Limited	30,224,643	17,490,207
Total	\$ 58,420,389	\$ 41,841,669	
Canadian Fixed Income (66.4%)			
41,034,000	Bell Canada 3.0% Oct 3, 2022	\$ 41,417,258	\$ 40,994,854
209,396,000	BMO CB FRN Feb 1, 2023 (3M CDOR + 19)	209,025,781	208,820,035
195,735,000	BNS FRN Apr 2, 2020 (Q CDOR +18)	195,735,000	195,689,002
8,420,000	BNS FRN Aug 31, 2085 (USD) (SA LIBOR +12.5)	6,980,282	9,185,858
6,777,000	Bombardier Inc. 7.35% Dec. 22, 2026	6,735,455	6,942,189
17,862,000	CIBC FRN Dec 8, 2020 (QCDOR +25)	17,915,050	17,878,099
500,000	ClearStream Energy Services Inc. 10% Mar 23, 2026	500,000	475,000
15,448,500	ClearStream Energy Services Inc. 8% Mar 23, 2026	15,448,500	14,985,045
27,067,000	Cogeco Cable Inc. 4.175% May 26, 2023	28,084,396	28,008,791
21,869,000	Cogeco Cable Inc. 4.925% Feb 14, 2022	23,138,938	23,199,280
2,950,000	Cogeco Cable Inc. 5.15% Nov 16, 2020	3,188,120	3,103,278

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Interim Schedule of Investment Portfolio as at June 30, 2018 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (66.4%)							
<i>Cont'd</i>							
4,506,000	Enbridge Inc. 3.19% Dec 5, 2022	4,699,983	4,515,879	367,000	Met Life FRN Sep 14, 2018 (Q Libor+34) 144A (USD)	473,760	482,772
275,000	Enbridge Inc. 3.5% Jun 10, 2024 (USD)	316,429	350,964	130,000	NBC FRN Aug 29, 2087 (USD) (S/A LIBOR +12.5)	138,271	141,824
5,348,000	Enbridge Inc. 4.0% Oct 1, 2023 (USD)	6,768,092	7,057,903	17,278,052	Postmedia Network Inc. 8.25% Jul 15, 2021	17,505,623	16,241,369
86,557,000	Enbridge Inc. FRN May 24, 2019 (Q CDOR +59)	86,846,553	86,779,737	62,261,000	RBC CB 1.4% Apr 26, 2019	62,389,419	61,947,180
4,725,000	Gaz Metro Inc. 1.52% May 25, 2020	4,711,168	4,650,011	90,876,000	RBC CB FRN Mar 23, 2020 (3M CDOR + 36)	90,988,357	91,246,965
20,652,000	GE Capital Canada 4.60% Jan 26, 2022	22,511,259	21,799,074	9,796,000	RBC FRN Apr 9, 2019 (3M CDOR + 41)	9,817,911	9,823,008
8,487,000	GE Capital Canada FRN Feb 15, 2022 (Q CDOR +35)	8,372,206	8,441,340	45,382,000	RBC FRN Feb 11, 2020 (3M CDOR + 54)	45,574,218	45,697,645
7,378,000	GE Capital Canada FRN Feb 6, 2023 (Q CDOR +120)	7,674,142	7,577,192	4,010,000	RBC FRN June 29, 2085(USD)(Q LIMEAN+25)	3,198,360	4,344,431
32,877,000	Hydro One Inc. 1.48% Nov 18, 2019	32,811,610	32,519,223	11,451,000	SNC Lavalin 6.19% Jul 3, 2019	12,722,195	11,867,768
4,778,000	Hydro One Inc. 1.62% Apr 30, 2020	4,793,815	4,709,572	4,950,000	SNC Lavalin FRN Mar 2, 2021 (Q CDOR + 54)	4,956,454	4,954,072
31,584,000	Hydro One Inc. FRN Mar 21, 2019 (Q CDOR + 35)	31,684,338	31,646,243	18,907,000	SNC Lavalin FRN Mar. 4, 2019 (Q CDOR + 35)	18,907,603	18,914,453
14,023,000	Kraft Canada Inc. 2.7% Jul 6, 2020	14,271,321	14,012,659	1,593,000	Sobeys 3.52% Aug 08, 2018	1,614,904	1,595,805
32,784,000	Kraft Canada Inc. FRN July 6, 2020 (Q CDOR +105)	32,791,161	33,153,774	17,303,000	Sobeys Inc. 4.7% Aug 8, 2023	17,646,017	17,997,119
2,960,000	Magna International Inc. 3.10% Dec 15, 2022	3,064,695	2,968,400	9,261,000	Sobeys Inc. 5.79% Oct 6, 2036	9,281,452	10,095,488
32,952,000	Manufacturers Life Insurance FF 2.811% Feb.21 2019/2024	33,110,305	33,084,385	9,465,000	Sobeys Inc. 6.06% Oct 29, 2035	9,573,095	10,401,249
26,124,000	Manufacturers Life Insurance FF 2.10% Jun 1, 2020/2025	25,853,091	25,840,751	10,159,000	Sobeys Inc. 6.64% Jun 7, 2040	10,618,361	12,088,245
6,270,000	Manufacturers Life Insurance FF 2.389% Jan 5, 2021/26	6,214,343	6,208,819	117,083,000	TD Bank CB 1.68% Jun 8, 2021	115,910,007	114,200,522
35,905,000	Manufacturers Life Insurance FF 2.64% Jan 15, 2020/2025	36,026,406	35,956,516	9,311,000	TD Bank FRN Feb 18, 2020 (Q CDOR +54)	9,351,615	9,370,576
6,960,000	Manufacturers Life Insurance FF 3.181% Nov 22, 2022/2027	7,077,032	7,012,833	8,621,000	TD Bank FRN Jul 31, 2019 (Q CDOR +5)	8,621,734	8,620,265
				61,522,000	TD CB FRN Jun 28, 2023 (3M CDOR + 31)	61,522,000	61,522,000
				31,076,000	TransCanada Pipelines FRN May 15, 2067 (3M LIBOR+221) (USD)	37,163,738	38,391,607
				4,693,000	Videotron Ltee 5.75% Jan 15, 2026	5,004,605	4,889,966

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Lysander-Canso Corporate Value Bond Fund

Interim Schedule of Investment Portfolio as at June 30, 2018 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Canadian Fixed Income (66.4%)							
<i>Cont'd</i>							
9,398,000	Videotron Ltee Sr Notes 5.625% Jun 15, 2025	9,666,961	9,877,934	32,085,000	Met Life Global Funding I 1.875% Apr 16, 2020	31,834,158	31,729,158
10,186,000	VW Credit Canada Inc. FRN Mar 30, 2020 (Q CDOR+50)	10,198,178	10,194,337	12,115,000	Met Life Global Funding I 3.027% Jun 11, 2020	12,290,358	12,211,873
7,704,089	Yellow Pages Digital & Media Solutions Ltd 8.0% Nov 30, 2022	6,903,866	7,630,900	6,711,000	Metlife Global Funding I FRN Sep 27, 2019 (3M CDOR +35)	6,731,544	6,725,294
19,168,159	Yellow Pages Digital & Media Solutions Ltd. 10% Nov 1, 2022	19,040,919	19,695,283	5,394,000	National Grid Electricity Trans 2.9% Nov 26, 2019	5,578,101	5,435,762
Total		\$ 1,516,556,352	\$ 1,519,799,489	11,162,000	Navient Corp 5.625% Aug 1, 2033 (USD)	11,923,722	12,470,690
Domestic Bank Loans (0.0%)							
597,033	Black Press Group Ltd TL B 1L CAD 3m BA + 500 Nov 28, 2018	\$ 591,063	\$ 564,196	990,000	Navient Corp 5.625% Jan 25, 2025 (USD)	932,048	1,206,610
Total		\$ 591,063	\$ 564,196	17,672,000	Navient Corp 5.875% Mar 25, 2021 (USD)	21,947,571	23,663,711
Foreign Bank Loans(0.1%)							
1,445,887	Sound Pub Hldgs TL B USD 3m L + 500 Nov 28, 2018	\$ 1,669,777	\$ 1,795,956	14,649,000	Purch 3% May 22, 2022	17,873,245	19,254,734
Total		\$ 1,669,777	\$ 1,795,956	1,404,000	Teva Pharmaceuticals 2.8% Jul 21, 2023 (USD)	1,566,352	1,595,813
Foreign Fixed Income (15.3%)							
2,697,000	CIT Group Inc. 5% Aug 1, 2023 (USD)	\$ 3,674,998	\$ 3,594,937	32,763,000	Teva Pharmaceuticals 6.75% Mar 1, 2028 (USD)	42,673,072	43,967,907
1,178,000	Eurofima 5.15% Dec 13, 2019	1,320,538	1,225,869	21,421,000	Teva Pharmaceuticals 3.15% Oct 1, 2026 (USD)	22,404,687	22,669,082
6,464,000	Heathrow Funding Limited 4.0% Jul 3, 2019	6,578,348	6,567,873	Total		\$ 345,128,166	\$ 349,494,941
11,203,000	Heathrow Funding Limited 3.0% Jun 17, 2021/23	11,618,797	11,284,880	Mortgage Backed Securities (7.9%)			
13,826,000	KFW 1.375% Jan 28, 2020	13,739,830	13,691,473	7,780,750	Concentra NHA MBS (97503071) 1.8828 % May 1, 2019	\$ 7,773,748	\$ 7,778,432
25,000	Lehman Bros Hldg Inc 4.85% Sep 3, 2013 (USD)	-	1,019	10,469,067	First National NHA MBS (97503231) 1.85% June 1, 2019	10,595,115	10,462,827
99,279,000	Lloyds Bank PLC FRN Jul 11, 2023 (3M CDOR + 55)	99,279,000	99,279,000	28,455,081	First National NHA MBS (97508460) 1.7% Feb 1, 2022	28,376,830	27,895,170
5,409,000	Lloyds Bank PLC FRN May 7, 2021 (Q LIBOR+49) (USD)	6,987,410	7,122,583	2,521,562	I.G Investment NHA MBS FRN (98001007) Feb 1, 2020 (M CDOR+10)	2,516,670	2,523,598
3,444,000	Merrill Lynch FRN (Q CDOR +92) May 30, 2022	3,629,632	3,456,915	5,762,526	MCAP Service NHA MBS FRN (98001603) Apr 1, 2021 (M CDOR+48)	5,761,200	5,803,748
17,227,000	Met Life Global Funding I 2.682% Apr 16, 2019	17,405,505	17,293,777	<i>Continued on next page ...</i>			
4,999,000	Met Life Global Funding I 3.107% Apr 16, 2021	5,139,250	5,045,981				

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Interim Schedule of Investment Portfolio as at June 30, 2018 (unaudited)

Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)	Par Value/Number of Shares		Average Cost (\$)	Fair Value (\$)
Mortgage Backed Securities (7.9%)							
<i>Cont'd</i>							
2,908,768	MCAP Service NHA MBS FRN(98001797)SE PT 1, 2021(M CDOR+45.21)	2,895,301	2,922,050	735,821	Blue Water Bridge Authority (amort) 6.41% Jul 9, 2027	891,970	847,086
3,689,578	MCAP Service NHA MBS FRN(98001833) (M CDOR+25) Oct 1, 2021	3,676,528	3,688,388	5,109,000	Golf Town/Golfsmith 10.5% Jul 24, 2018 (144A)	2,910,681	11,240
3,835,698	Merrill Lynch FRN NHA MBS (98000940) Dec 1, 2019 (M CDOR + 5)	3,811,457	3,839,546	5,969,000	Honda Canada Finance Inc FRN Feb 19, 2019 (Q CDOR +110)	6,044,777	6,008,260
5,657,356	Merrill Lynch FRN NHA MBS (98001681) Jun 1, 2021 (M CDOR +35)	5,634,382	5,697,181	25,883,000	Honda Canada Finance Inc FRN Apr 17, 2020 (Q CDOR+52)	25,933,525	26,039,087
42,363,337	Merrill Lynch FRN NHA MBS (98002097) May 1, 2022 (M CDOR +20)	42,216,337	42,553,358	38,798,000	Honda Canada Finance Inc FRN Dec 18, 2020 (Q CDOR+28)	38,899,921	38,767,295
21,439,784	Merrill Lynch FRN NHA MBS FRN(98002156) Jun 1, 2022 (M CDOR+24)	21,371,391	21,500,716	6,014,000	Honda Canada Finance Inc. 1.631% Aug 12, 2019	6,013,869	5,968,579
17,334,782	Merrill Lynch NHA MBS FRN (98001212) Jun 1, 2020 (M CDOR +10)	17,283,644	17,371,323	25,578,000	Honda Canada Finance Inc. FRN Aug 28, 2020 (Q CDOR +38)	25,630,672	25,690,323
19,200,917	Merrill Lynch NHA MBS FRN (98001289) Aug 1, 2020 (MCDOR +30)	19,027,149	19,306,052	27,788	KS SP LP (Scotia Plaza) (amort) 3.21% Jun 15, 2019	27,944	27,850
2,343,628	Merrill Lynch NHA MBS FRN (98001384) Oct 1, 2020 (M CDOR+39)	2,329,683	2,343,764	Total		\$ 116,298,132	\$ 112,909,820
4,326,629	Merrill Lynch NHA MBS FRN (98001703) Jul 1, 2021 (M CDOR+35)	4,325,127	4,340,915	Preferreds (2.7%)			
1,389,988	MLFA 2002-BC2P A 6.673% May 7, 2021	1,526,948	1,457,103	165,400	BMO Dec 31, 2049 NC Class B Pfd Series 26	\$ 3,662,840	\$ 3,868,706
704,004	MLML 2000 BMCC 7.373% May 10, 2022	814,146	744,813	590,800	BNS FRN Feb 2, 2021 Series 33 90CTB+134	13,228,596	13,948,788
Total		\$ 179,935,656	\$ 180,228,984	32,775	Clearstream Preferred	32,774,900	32,775,000
Private Placements (4.9%)							
9,745,000	Black Press Group Ltd. Series B 10.0% Dec 28, 2018	\$ 9,944,773	\$ 9,550,100	1,702,700	Purch Series C Preferred Share	9,591,586	10,317,360
Total investment portfolio (99.1%)							
\$ 2,278,616,457							
\$ 2,268,777,192							
Cash and cash equivalents (4.5)							
\$ 103,023,339							
Other assets less liabilities (-3.6%)							
(82,441,288)							
Net assets							
\$ 2,289,359,243							

Lysander-Canso Corporate Value Bond Fund

Foreign Exchange Contracts

CounterParty	Settlement Date	Buy	Par Value	Sell	Par Value	Forward Rate	Current Rate	Unrealized Appreciation (Depreciation)
Canadian Imperial Bank of Commerce ¹	2018-09-19	CAD	\$ 213,677,405	USD	\$ 160,806,000	0.753	0.762	\$ 2,573,916

Notes

¹ Credit rating of counterparty is A+.

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

1. Formation of Fund

The address of the Fund's registered office is 100 York Boulevard, Suite 501, Richmond Hill, Ontario.

Lysander Funds Limited (the "Manager") is the manager and trustee of the Fund and is responsible for providing or arranging 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 Lysander-Canso Corporate Value Bond Fund (the "Fund"), is an open-end fund formed under the laws of the Province of Ontario by a declaration of trust dated April 24, 2009. The Fund commenced operations on April 30, 2009 and distributed units under a prospectus exemption. The Fund became a reporting issuer on December 23, 2011.

The Fund's objective is to provide above average, long-term total returns consisting of interest income and some capital gains by investing primarily in fixed income securities.

The portfolio manager of the Fund is Canso Investment Counsel, ("Portfolio Manager"), a company under common control.

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). These interim financial statements have been prepared in accordance with IAS 34-Interim Financial Reporting and do not include all of the information and disclosures required in the annual financial statements. These financial statements should be read in conjunction with the Fund's annual financial statements and accompanying note disclosures.

The Fund has adopted the following standards, interpretations and amendments for the first time for the period beginning on January 1, 2018:

IFRS 9 Financial Instruments ("IFRS 9")

The adoption of IFRS 9 has been applied retrospectively by the Fund. IFRS 9 requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Upon adoption of IFRS 9, the Fund's financial assets and liabilities previously classified as at fair value through profit or loss ("FVTPL") and amortized cost under IAS 39 "Financial

Instruments: Recognition and Measurement", continued to be classified at FVTPL and amortized cost.

The financial statements were authorized for issue by Lysander's board of directors on August 20, 2018.

3. Significant Accounting Policies

The significant accounting policies of the Fund are as follows:

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term investments in an active market with original maturities of three months or less, bank overdrafts and money market funds with daily liquidity and all highly liquid financial instruments that mature within three months of being purchased.

Financial instruments

The Fund accounts for its financial instruments in accordance with IFRS 9, which include cash and cash equivalents, investments at fair value through profit or loss, accrued interest, reimbursement receivable, subscriptions receivable, redemption payable, due to/from investment dealer, receivable/payable from forward exchange contracts and accrued expenses.

Financial assets and financial liabilities at fair value through profit or loss:

Assets

The Fund classifies its investments in debt and equity securities and investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken.

Consequently, these financial assets are mandatorily measured at FVTPL.

Liabilities

The Fund makes short sales in which a borrowed security is sold in anticipation of a future decline in its market value, or used as an arbitrage strategy.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition on initial recognition they are a part of a portfolio of identified financial

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial assets and financial liabilities at amortized cost:

The financial assets and liabilities measured at amortized cost include cash collateral posted on derivative positions, accrued income, due to and from brokers and other short term receivables and payables.

IFRS 9 replaced the incurred loss model in IAS 39 with the expected credit loss model (“ECL”), as the new impairment model for financial assets carried at amortized cost. The Fund’s financial assets measured at amortized cost consist of trade receivables with no financing component and which have maturities of less than 12 months, as such, it has chosen to apply the simplified ECL approach, whereby any loss allowance is recognized based on the lifetime ECLs. Given the short-term nature of the trade receivables, this amendment has not had a material impact on the financial statements and these trade receivables are not considered impaired.

The Fund classifies financial instruments carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified as Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified as Level 3. The Manager assesses transfers at the time of an event that may cause reason for re-assessment of levelling. The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement

in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes observable requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources. The classification of the Fund’s financial instruments within the fair value hierarchy as at June 30, 2018 and December 31, 2017, as applicable, is disclosed in the notes to the financial statements of the Fund. Significant transfers between levels are also disclosed in the notes to the financial statements of the Fund, where applicable. The reconciliation of level 3 fair value measurements for the periods ended June 30, 2018 and December 31, 2017, if applicable, are included in the notes to the financial statements of the Fund.

Recognition/Derecognition

At initial recognition, financial assets and liabilities are measured at fair value. Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, financial assets and liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in their fair value are included in the statement of comprehensive income for the period in which they arise. Dividend or interest income earned on financial assets at fair value through profit or loss and dividend or interest expense on the financial liabilities at fair value through profit or loss are disclosed in a separate line item in the statement of comprehensive income.

Financial assets are derecognized when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the disposition of investments, and unrealized appreciation and depreciation of investments, are determined on an average cost basis and are included in the statement of comprehensive income.

Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from expiration of written options whereby realized gains are equivalent to the premium received and from the exercise of written covered call options in addition to the realized gain or

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

losses from disposition of the related investments at the exercise price of the option.

Fair value measurements

The securities in the Fund's Portfolio are measured at Fair Value Through Profit or Loss ("FVTPL"). The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets and financial liabilities of the Fund is the last traded price provided such price is within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Where available, valuation techniques use market observable assumptions and inputs. If such data is not available, inputs may be derived by reference to similar assets in active markets, from recent prices for comparable transactions or from other observable market data. When measuring fair value, the Fund selects the non-market-observable inputs to be used in its valuation techniques, based on a combination of historical experience, derivation of input levels based on similar products with observable price levels and knowledge of current market conditions and valuation approaches. Unobservable Inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. Unlisted debt securities are valued based

on observable inputs such as the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Unlisted debt securities for which current quotations are not readily available are valued using another valuation technique as described below.

The Fund uses widely recognized valuation techniques for determining the fair value of financial instruments that are not actively traded and quoted. The most frequently applied valuation techniques include: i) discounted value of expected cash flows, ii) relative value, iii) option pricing methodologies, iv) private placement financing technique v) internally developed models and vi) market activity. In some cases, it may be reasonable and appropriate to value at cost, where there has been no material subsequent event affecting value. Discounted value of expected cash flows is a valuation technique that measures fair value using estimated expected future cash flows from assets or liabilities and then discounts these cash flows using a discount rate or discount margin that reflects the credit and/or funding spreads required by the market for instruments with similar risk and liquidity profiles to produce a present value. When using such valuation techniques, expected future cash flows are estimated using an observed or implied market price for the future cash flows or by using industry standard cash flow projection models. The discount factors within the calculation are generated using industry standard yield curve modeling techniques and models. Relative value models measure fair value based on the market prices of equivalent or comparable assets or liabilities, making adjustments for differences between the characteristics of the observed instrument and the instrument being valued. Option pricing models incorporate assumptions regarding the behavior of future price movements of an underlying referenced asset or assets to generate a probability-weighted future expected payoff for the option. The resulting probability-weighted expected payoff is then discounted using discount factors generated from industry standard yield curve modeling techniques and models. The option pricing model may be implemented using a closed form analytical formula or other mathematical techniques (e.g., binomial tree or Monte Carlo simulation). For more complex instruments and instruments for which there is no active market, fair values may be estimated using a combination of observed transaction prices, if any, consensus pricing services and relevant broker quotes. Consideration is given to the nature of the quotes (e.g., indicative or firm) and the relationship of recently evidenced market activity to the prices provided by consensus pricing services. Private placement financings are instances where a company raises capital through an offering of additional securities in the private markets. Pertinent details of such offering, including the terms of such offering, the issue

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

price, and total capital raised are considered when assessing the reasonability that the issue price of such offering approximates fair value. In contrast to public offerings on a recognized exchange, private placement financings are not available to the general public. The Fund also uses internally developed models, which are typically based on valuation methods and techniques recognized as standard within the industry. Assumptions and inputs used in valuation techniques include benchmark interest rate curves, credit and funding spreads used in estimating discount rates, bond and equity prices, equity index prices, foreign exchange rates, levels of market volatility and correlation. In situations where there is limited market activity for the asset or liability near the measurement date, the most recent transaction price may be used.

Income recognition

Dividend income is recognized when the Fund's right to receive the payment has been established, normally being the ex-dividend date. Dividend income is recognized gross of withholding tax, if any.

The interest income for distribution purposes shown on the statement of comprehensive income represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis. The interest income for distribution purposes is the tax basis of calculating the interest received and which is subject to tax.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Accounting estimates

In the application of the Fund's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. The most significant estimates relate to the valuation of investments. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Net assets attributable to holders of redeemable units

Units issued and outstanding represent the capital of the Fund, with units in each series representing an equal and rateable share in the assets allocated to each series. The management fee rates are different for each of the series. Please refer to Note 6 for discussion of management fee rates. The redeemable units are classified as financial liabilities and are measured at the redemption amounts.

Units of the Fund may be purchased or redeemed at a price per unit equal to the net asset value ("NAV") of a unit of the applicable series of the Fund on each valuation date.

Net asset value per unit

The net asset value per unit of each series of units of the Fund is computed by dividing the NAV of a series of units by the total number of units of the series outstanding at the time. The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its NAV for transactions with holders of redeemable units.

Foreign currency translation

Foreign currency amounts are translated into the Fund's functional currency as follows: fair value of investments, forward currency contracts and other financial assets and liabilities, at the closing rate of exchange on each business day; income and expenses, and purchases, sales and settlements of investments, at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency forward contracts

The value of the foreign currency forward contracts is the gain or loss that would be realized if the position in the forward contract was closed out in accordance with its terms. The unrealized gains or losses on the forward contract are reported as part of the change in unrealized appreciation or depreciation on forwards in the statement of comprehensive income. Foreign currency forward contracts manage exposure to foreign currency gains and losses arising from short and long-term investments denominated in foreign currencies.

Taxation

The Fund is a mutual fund trust within the meaning of the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax on its net taxable income, including net realized capital gains, for the calendar year which is not paid or payable to its unitholders as of the end of the calendar year. It is the intention of the Fund to pay all of its net taxable income and net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable. Therefore, no provision for income taxes has been made in these financial statements.

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

As at December 31, 2017, the Fund had no net capital losses (December 31, 2016 - Nil) and no non-capital losses (December 31, 2016 - Nil).

Distributions

The Fund makes distributions of net income quarterly or monthly, please refer to the Fund's Simplified Prospectus, and any net realized capital gains annually. These are recognized in the statement of changes in net assets attributable to holders of redeemable units.

Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Determination of Functional Currency

'Functional currency' is the currency of the primary economic environment in which the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. The Fund's subscriptions and redemptions are denominated in Canadian Dollars ("CAD"). Accordingly, management has determined that the functional currency of the Fund is CAD unless noted otherwise.

Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined as disclosed in Fair Value Measurement section in Note 3.

Future changes in accounting standards

As of June 30, 2018, there are no future standards that could have a material impact on the Fund.

4. Expenses

The Fund is responsible for the payment of all expenses related to its operations, including but not limited to audit fees, Independent Review Committee fees, fund administration fees, filing fees, redeemable unitholder reporting and custodian fees plus harmonized sales tax. At their discretion, the Manager or the Portfolio Manager may pay certain of the expenses of the Fund but any such payments shall not oblige the Manager or the Portfolio Manager to make similar future payments. All expenses

are recognized in the statement of comprehensive income on the accrual basis.

Service fees may be paid by the Manager from the management fees it receives from the Fund. Service fees may be paid to brokers and dealers to compensate them for providing ongoing services to redeemable unitholders holding Series A and A5 units, if applicable.

The maximum service fee is 0.50% on the Series A and Series A5 units, exclusive of any applicable taxes.

5. Issuance and Redemption of Units

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal undivided interest in the net assets of the Fund. Each unit entitles the holder to the same rights and obligations as a holder of any other unit and no holder of units is entitled to any privilege, priority or preference in relation to any other holder of units. Each holder of units is entitled to one vote for each whole unit held and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any. On termination or liquidation of the Fund, the holders of outstanding units of record are entitled to receive on a pro rata basis all of the assets of the Fund remaining after payment of all debts, liabilities and liquidation expenses of the Fund. The units of the Fund are issued and redeemed at their Net Asset Value.

During the periods ended June 30, 2018 and 2017, the number of units issued, redeemed and outstanding were as follows:

Series A

For the periods ended	30-Jun-18	30-Jun-17
Units outstanding at beginning of period	37,473,830	31,890,959
Redeemable units issued	4,594,790	8,361,055
Redeemable units redeemed	(4,315,246)	(4,488,379)
Redeemable units issued on reinvestments	170,916	235,656
Units outstanding at end of period	37,924,290	35,999,291

Series A5

For the periods ended	30-Jun-18	30-Jun-17
Units outstanding at beginning of period	712,250	309,013
Redeemable units issued	108,839	402,681
Redeemable units redeemed	(45,890)	(68,235)
Redeemable units issued on reinvestments	2,757	2,113
Units outstanding at end of period	777,956	645,572

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

Series F

For the periods ended	30-Jun-18	30-Jun-17
Units outstanding at beginning of period	136,047,541	90,653,766
Redeemable units issued	28,470,953	39,119,139
Redeemable units redeemed	(17,188,018)	(10,010,039)
Redeemable units issued on reinvestments	864,408	920,959
Units outstanding at end of period	148,194,884	120,683,825

Series F5

For the periods ended	30-Jun-18	30-Jun-17
Units outstanding at beginning of period	3,106,933	929,916
Redeemable units issued	244,237	2,555,934
Redeemable units redeemed	(378,110)	(208,320)
Redeemable units issued on reinvestments	6,183	12,707
Units outstanding at end of period	2,979,243	3,290,237

Series O

For the periods ended	30-Jun-18	30-Jun-17
Units outstanding at beginning of period	-	230,265
Redeemable units issued	-	1,905,592
Redeemable units redeemed	-	(813)
Redeemable units issued on reinvestments	-	31,162
Units outstanding at end of period	-	2,166,206

6. Related Party Transactions

The Manager is responsible for the day-to-day management of the Fund and its investment portfolio in compliance with the

7. Fair Value Hierarchy

The following fair value hierarchy table presents information about the Fund's assets measured at fair value, as described in Note 3, as at June 30, 2018 and December 31, 2017.

As at June 30, 2018	Level 1	Level 2	Level 3	Total
Investments				
Equities	\$ 35,458,135	\$ -	\$ 68,525,671	\$ 103,983,806
Fixed income	7,630,900	2,137,896,512	19,265,974	2,164,793,386
Total	\$ 43,089,035	\$ 2,137,896,512	\$ 87,791,645	\$ 2,268,777,192
As at December 31, 2017				
Investments				
Equities	\$ 31,356,047	\$ -	\$ 35,205,032	\$ 66,561,079
Fixed income	3,705,354	1,879,187,358	19,358,686	1,902,251,398
Total	\$ 35,061,401	\$ 1,879,187,358	\$ 54,563,718	\$ 1,968,812,477

Fund's constating documents. The Manager pays for the investment management services and provides all administrative services required by the Fund. As compensation for its services the Manager is entitled to receive a management fee.

The Manager may offer a reduced management fee to selected investors who (among other considerations) hold large investments in the Fund. This is achieved by reducing the management fee charged to the Fund based on the assets held by such investors and the Fund distributing the amount of the reduction in additional units of the same series of the Fund to the investor.

At June 30, 2018, the shareholders of the Manager and Portfolio Manager, together with certain immediate family members and employees of such shareholders had an ownership interest in the Fund amounting to 0.0% (December 31, 2017 - 0.0%).

The Manager is entitled to receive from the Fund a management fee which is calculated daily and payable monthly at an annualized rate of up to 1.25% on Series A and Series A5 units and up to 0.75% on Series F and Series F5 units, exclusive of applicable taxes, based on the net asset value of each respective series. Series O has no management fees because investors will pay a negotiated management fee.

During the period ended June 30, 2018, the Manager paid the Portfolio Manager, an affiliate of the Manager, \$4,095,657 (June 30, 2017 - \$3,318,720) for managing the portfolio of the Fund. As at June 30, 2018 the amount payable to the Portfolio Manager was \$698,936 (December 31, 2017 - \$679,331).

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

As at		30-Jun-18	31-Dec-17
Level 3 reconciliation			
Balance, beginning of period	\$	54,563,718	\$ 33,016,146
Purchases		14,817,354	410,281
Sales		-	-
Transfers In		17,354,900	13,204,259
Transfers Out		-	-
Realized gains and losses		-	-
Change in unrealized appreciation/depreciation		1,055,673	7,933,032
Balance, end of period	\$	87,791,645	\$ 54,563,718

The Portfolio Manager's internal valuation team is comprised of individuals from across the functional areas of the firm (Trading, Settlements, Research, Portfolio Management, Compliance, and Fund Administration) who have broad and deep experience in the fair value techniques for debt and equity investments. The team reports to the Chief Investment Officer of the Portfolio Manager and the internal valuation team's valuation processes and results are reviewed by management on an ongoing basis. Security valuations are discussed on a case-by-case basis with a view to establish the most suitable valuation method. There was \$17,354,900 transferred from level 2 to level 3.

The following sections provides information regarding Level 3 securities. It includes a summary of the valuation techniques used and the sensitivity of the fair value of these securities to changes in input values.

Clearstream Preferred

Price: \$1,000.00

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The last transacted price unless there is a material subsequent event that warrants a review. The preferred shares were issued on January 16, 2018 at \$1,000. There have been no subsequent material events affecting value.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$300.00

Golf Town/Golfsmith 10.5% Jul 24, 2018 (144A)

Price: \$0.22

Valuation Technique: Discounted value of expected cash flows.

Unobservable Inputs: The primary unobservable input for this issue is the projected net cash value of assets being liquidated under bankruptcy protection.

Change in input values: A reasonably possible change to the value of the liquidated assets could result in an increase or decrease of 40%, or an increase or decrease in the security price of \$0.09.

Purch 3% May 22, 2022

Price: \$100.00 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Unobservable Inputs: The primary unobservable inputs for this security include audited financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 9%, or an increase or decrease in the security price of \$9.00.

Purch Series C Preferred Share

Price: \$4.61 USD

Valuation Technique: Internal Model which uses a combination of three techniques: 1) discounted value of expected cash flows, 2) relative value and 3) option pricing methodologies. The output of the model is compared to recent private placement funding rounds to confirm its reasonability.

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

Unobservable Inputs: The primary unobservable inputs for this security include audited financial statement data, recent private offering valuation multiples of competitors, and liquidation preference rights.

Change in input values: A reasonably possible change in the key inputs to the model could result in an increase or decrease of 12%, or an increase or decrease in the security price of \$0.57.

Xplornet Comm Pfd Class F

Price: \$1,228.57

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of common shares for preferred shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$368.57

Xplornet Comm Inc. Warrants Series A Dec 20, 2018 144A

Price: \$95.05

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$28.51

Xplornet Comm Inc. Warrants Series B Dec 20, 2018 144A

Price: \$38.01

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$11.40

Xplornet Comm Inc. Warrants Series C Oct 25, 2023 Restricted

Price: \$471.94

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$141.58

Xplornet Comm Inc. Warrants Series D Oct 25, 2023

Price: \$506.99

Valuation Technique: The private placement financing technique.

Unobservable Inputs: The primary unobservable input for this security is the last price where the company raised capital in a private offering of additional securities and the exchange ratio of warrants for shares.

Change in input values: A reasonably possible change to the value of the next private placement financing could result in an increase or decrease of 30%, or an increase or decrease in the security price of \$152.10

8. Risk Management

The Fund's activities expose it to a variety of financial risks in the normal course of operations. These include credit risk, liquidity risk, and market risk. The value of the investments in the Fund's portfolio can fluctuate as a result of changes in interest rates, general economic conditions, supply and demand conditions relating to specific securities, or news relating to a specific issuer. In order to

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

manage risk, the Portfolio Manager will diversify the portfolio based on industry and credit rating category. Significant risks that are relevant to the Fund are discussed below.

Credit risk

Credit risk is the risk of financial loss that could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations. The Fund's main exposure to credit risk consists of investments in debt instruments, such as bonds. The Fund is also exposed to counterparty risk from other assets, such as amounts due from investment dealer or subscriptions receivable. To manage this risk, the Portfolio Manager monitors the Fund's credit exposure and counterparty ratings.

The Fund measures credit risk and lifetime ECLs related to these trade receivables using historical analysis and forward looking information in determining the ECL.

As at June 30, 2018 and December 31, 2017, the Fund had directly invested in debt instruments with the following credit ratings:

As a % of net assets		30-Jun-18	31-Dec-17
Credit exposure			
AAA	%	31.9	21.2
AA		6.5	19.3
A		29.2	20.0
BBB		15.8	13.0
BB		7.6	8.0
B		2.0	5.1
CCC		0.3	0.3
Not Rated		3.9	3.3

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations, including any redemption of units for cash. The Fund is exposed to possible daily redemptions at the then current NAV per unit. Liquidity risk is managed by investing a significant portion of the Fund's assets in investments that are traded in an active market and that can be readily sold. All liabilities of the Fund are due within one year.

The following table presents the Fund's liabilities according to their maturity date as at June 30, 2018 and December 31, 2017:

As at 30-Jun-2018	Less Than One Month	1-3 Months	3 Months - 1 Year
Liquidity risk			
Redemption Payable	\$ 2,632,655	\$ -	\$ -
Due to investment dealers	99,279,000	-	-
Accrued expenses	-	1,953,239	-
As at 31-Dec-2017			
Liquidity exposure			
Redemption Payable	\$ 952,981	\$ -	\$ -
Accrued expenses	-	1,896,576	-

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a fund asset will fluctuate because of changes in market interest rates. To manage interest rate risk, the Portfolio Manager monitors exposures and maintains the portfolio duration within the limits specified in the investment policies and objectives of the Fund. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's exposure to interest rate risks based on the remaining term to maturity of the investments.

Lysander-Canso Corporate Value Bond Fund

Notes to the interim financial statements for the six-month period ended June 30, 2018 (unaudited)

	Less than 1 year	1-5 years	More than 5 years
Interest rate exposure			
June 30, 2018	\$ 297,767,240	\$ 1,527,157,366	\$ 339,868,780
December 31, 2017	422,594,396	1,184,081,425	295,575,577

If interest rates had increased or decreased by 1% at June 30, 2018, with all other variables remaining constant, net assets of the fund would have decreased or increased by approximately \$32,083,236 (December 31, 2017 - \$34,364,208).

Currency risk

Currency risk arises when the value of investments denominated in currencies other than CAD fluctuate due to changes in exchange rates. The currency risk will typically be hedged by entering into foreign currency forward contracts if required, however some moderate currency exposure may be assumed if deemed to be beneficial to the Fund. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

	30-Jun-18	31-Dec-17
Currency exposure		
US Dollars	%	%
	9.1	13.3

As at June 30, 2018, if the CAD had strengthened or weakened by 1% in relation to the above currencies, with all other factors remaining constant, the Fund's net assets would have decreased or increased by 0.1% (December 31, 2017 - 0.1%).

Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. This risk is managed through a careful selection of securities and other financial instruments within the parameters of the investment strategy and by maintaining a well-diversified portfolio. Exposure to price risk arises from investments in equity securities. In practice, actual results will differ from this sensitivity analysis and the difference could be material.

As at June 30, 2018, approximately 4.5% (December 31, 2017 - 3.1%) of the Fund's net assets were invested in equity securities. If prices of these investments had increased or decreased by 5% as at June 30, 2018 with all other factors remaining constant, net assets would have increased or decreased, by approximately \$5,199,190 (December 31, 2017 - \$3,328,054).



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