

Semi-Annual Management Report of Fund Performance
As at June 30, 2018

Lysander-18 Asset Management Canadian Equity Fund



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A Note About Forward Looking Statements

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

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

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

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

About This Report

This semi-annual Management Report of Fund Performance of Lysander-18 Asset Management Canadian Equity Fund (the “Fund”) contains financial highlights for the period ended June 30, 2018 but does not contain the complete financial statements of the Fund. This report should be read in conjunction with the semi-annual financial statements of the Fund for the period ended June 30, 2018. 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 Canadian companies.

Investment Strategies

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

30% of its assets in foreign securities. The Fund’s investments will not be constrained by sector considerations. More details are contained in the Fund’s simplified prospectus.

Risks

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

Results of Operations

Overall, the Fund’s net performance for the first half of the year was 4.0% for Series A and 4.6% for Series F. Style leadership in 2018 so far has come from the Offence style, up 12.3% year-to-date, while Defense declined 1.6%. The Offence style seeks momentum companies, and consequently benefitted from exposure to technology and resources such as timber and methanol. The Defense strategy lagged the overall market as interest sensitive sectors such as financials and utilities reacted to rising interest rates. Top performers included The Stars Group (+34%) and Suncor (+21%) while Air Canada was the worst contributor, down 17.6%.

The net assets of the Fund for the period is at approximately \$4.8 million as of June 30, 2018 from approximately \$4.5 million at the beginning of the year. This was primarily due to the Fund’s positive performance.

The positioning of the Fund by style, market capitalization and sector are consistent with the Fund’s fundamental investment objectives and strategies. There were no unusual changes to the components of revenue and expenses of the Fund and there were no unusual events or transactions, economic changes or

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market conditions that affected performance beyond what would be reasonably be expected.

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

Recent Developments

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

The Canadian market, as represented by the S&P/TSX Composite Index, has had a bumpy first half of the year. After initially declining 7% to start the year, the index rebounded almost 10%, to post a 1.9% return for the first half of the year. Ongoing tension surrounding global trade and political uncertainty in the United States has increased volatility across markets, albeit to levels more consistent with longer term history as it was previously at multi-year lows. Familiar themes continue to dominate headlines for Canadian market watchers, including the NAFTA negotiations, the potential for a housing correction and the over-extended position of Canadian consumer balance sheets. Notwithstanding the cautionary headlines, the fundamental profile of the Canadian market has continued to improve since the beginning of the year. A variety of metrics provide evidence of the progressive momentum of TSX earnings, including positive quarterly momentum of reported earnings, positive earnings surprise in the most recent quarter and continued upward revision of earnings estimates for 2018 by Bay street analysts. As of the mid-point of the year, analysts estimate year over year earnings growth to reach almost 20%, as compared to an expectation of only 4% at the outset of 2018. With the strong growth and moderate price performance, the market's valuation has also improved. Currently, the current Price/Earnings ratio of the TSX is 14.4 times, versus 15.3 times at the start of the year. The 18 AM team has been managing Canadian equities for more than 25 years. We have time-tested our disciplined, systematic process through interest rate cycles, growth and retraction phases, and through our share of stock market shocks. We believe a focus on company fundamentals, rather than speculating on macroeconomic and political events, provides investors the best opportunity for long-term success.

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

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

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

Related Party Transactions

The Manager provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including but not limited to, calculating and reporting the net asset value of the Fund and its series, preparing all offering documents, unitholder recordkeeping and other administrative services.

The Fund paid \$22,035 (including HST) in management fees to the Manager for the period ended June 30, 2018 (June 30, 2017: \$20,085).

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 \$11,555 (including HST) to the Portfolio Manager for the period ended June 30, 2018 (June 30, 2017: \$10,668).

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

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Financial Highlights

Series A*

Period ended	30-Jun-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹				
Net assets, beginning of period	\$ 12.55	\$ 11.83	\$ 10.66	\$ 11.37
Operations:				
Total revenue	0.18	0.35	0.36	0.35
Total expenses	(0.16)	(0.31)	(0.28)	(0.29)
Realized gains (losses)	0.09	-	0.07	(0.06)
Unrealized gains (losses)	0.40	0.78	1.26	(0.82)
Total increase (decrease) from operations²	\$ 0.51	\$ 0.82	\$ 1.41	\$ (0.82)
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	(0.01)	(0.06)	(0.04)	(0.02)
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ (0.01)	\$ (0.06)	\$ (0.04)	\$ (0.02)
Net assets, end of period^{2 3}	\$ 13.06	\$ 12.55	\$ 11.83	\$ 10.66
Ratios and supplemental data				
Net asset value ⁴	\$ 483,488	\$ 464,596	\$ 383,146	\$ 300,004
Units outstanding	37,024	37,007	32,378	28,155
Management expense ratio ⁵	% 2.56	% 2.55	% 2.53	% 2.53
Management expense ratio before waivers or absorption	2.74	2.75	3.11	3.92
Portfolio turnover rate ⁶	19.7	74.2	92.9	94.8
Trading expense ratio ⁷	0.03	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 13.06	\$ 12.55	\$ 11.83	\$ 10.66

Notes

* The Fund became a reporting issuer on December 30, 2014 and accordingly prior period numbers are not available.

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

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*

Period ended	30-Jun-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹				
Net assets, beginning of period	\$ 12.77	\$ 12.02	\$ 10.86	\$ 11.59
Operations:				
Total revenue	0.18	0.36	0.37	0.36
Total expenses	(0.09)	(0.18)	(0.16)	(0.16)
Realized gains (losses)	0.09	-	0.05	(0.35)
Unrealized gains (losses)	0.41	0.75	1.09	(0.59)
Total increase (decrease) from operations²	\$ 0.59	\$ 0.93	\$ 1.35	\$ (0.74)
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	(0.08)	(0.18)	(0.22)	(0.18)
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ (0.08)	\$ (0.18)	\$ (0.22)	\$ (0.18)
Net assets, end of period^{2 3}	\$ 13.29	\$ 12.77	\$ 12.02	\$ 10.86
Ratios and supplemental data				
Net asset value ⁴	\$ 3,136,464	\$ 3,002,912	\$ 2,698,702	\$ 1,960,285
Units outstanding	235,945	235,065	224,481	180,539
Management expense ratio ⁵	% 1.43	% 1.42	% 1.41	% 1.41
Management expense ratio before waivers or absorption	1.61	1.61	1.97	2.80
Portfolio turnover rate ⁶	19.7	74.2	92.9	94.8
Trading expense ratio ⁷	0.03	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 13.29	\$ 12.77	\$ 12.02	\$ 10.86

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

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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.

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Series O*

Period ended	30-Jun-2018	31-Dec-2017	31-Dec-2016	31-Dec-2015
Net assets per unit¹				
Net assets, beginning of period	\$ 12.87	\$ 12.11	\$ 10.92	\$ 11.63
Operations:				
Total revenue	0.18	0.35	0.35	0.33
Total expenses	(0.02)	(0.04)	(0.04)	(0.03)
Realized gains (losses)	0.09	-	0.03	0.01
Unrealized gains (losses)	0.42	0.75	1.15	(0.78)
Total increase (decrease) from operations²	\$ 0.67	\$ 1.06	\$ 1.49	\$ (0.47)
Distributions:				
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -
From dividends	(0.14)	(0.3)	(0.31)	(0.24)
From capital gains	-	-	-	-
Total distributions^{2 3}	\$ (0.14)	\$ (0.3)	\$ (0.31)	\$ (0.24)
Net assets, end of period^{2 3}	\$ 13.39	\$ 12.87	\$ 12.11	\$ 10.92
Ratios and supplemental data				
Net asset value ⁴	\$ 1,133,950	\$ 1,078,021	\$ 990,412	\$ 873,650
Units outstanding	84,658	83,751	81,781	79,977
Management expense ratio ⁵	% 0.30	% 0.29	% 0.28	% 0.27
Management expense ratio before waivers or absorption	0.48	0.48	0.86	1.70
Portfolio turnover rate ⁶	19.7	74.2	92.9	94.8
Trading expense ratio ⁷	0.03	0.2	0.1	0.2
Net asset value per unit, end of period	\$ 13.39	\$ 12.87	\$ 12.11	\$ 10.92

Notes

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Management Fees

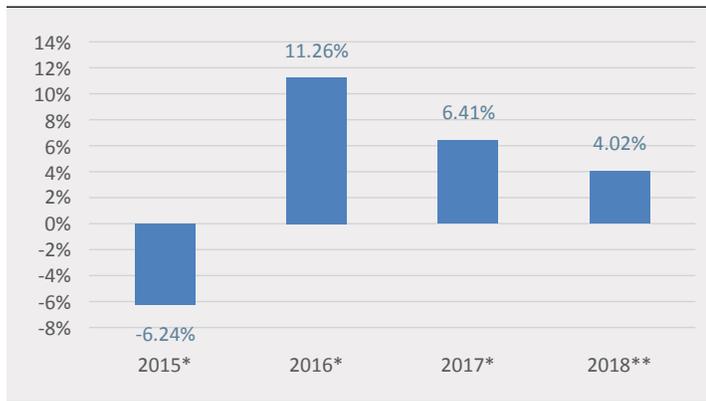
The Manager provides or arranges the provision of all general management and administrative services required by the Fund, and as described in the section “Related Party Transactions” above.

In consideration for such services, the Manager receives a 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. No management fee is charged to the Fund with respect to Series O units, but investors are charged a negotiated management fee.

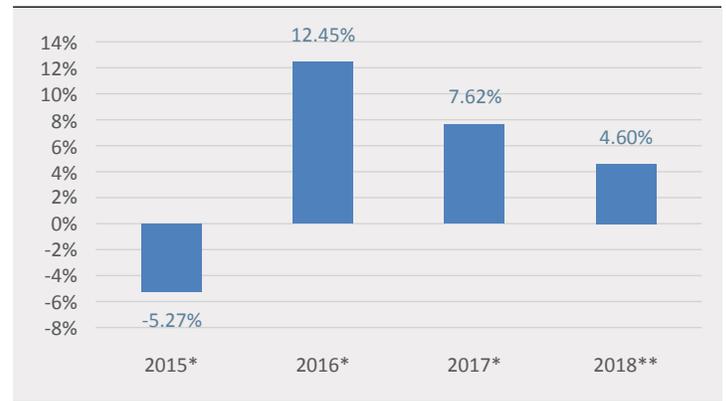
Service fees or trailing commissions of a maximum of 1.00% per annum are paid on Series A units to dealers. This comprises approximately 50% of the management fee of Series A units.

Year-by-Year Returns

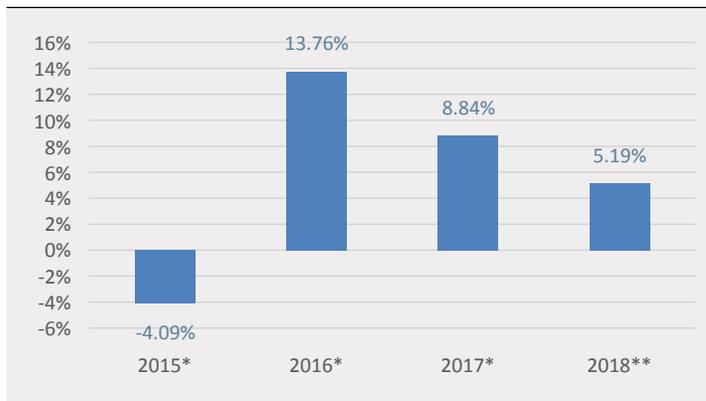
Series A



Series F



Series O



Past Performance

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

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

* For the period January 1 to December 31, ** For the period January 1 to June 30

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Summary of Investment Portfolio

		% of NAV			% of NAV
Top 25 Issuers			Asset Mix		
Constellation Software Inc.	%	4.3	Canadian Equities	%	99.1
Methanex Corp.		3.8	Cash and Cash Equivalents		0.7
Suncor Energy Inc.		3.7	Other Assets less Liabilities		0.2
Encana Corporation		3.6	Total	%	100.0
Nutrien Ltd.		3.6	Sector		
Waste Connections Inc.		3.6	Cash and Cash Equivalents	%	0.7
Parex Resources Inc.		3.4	Consumer Discretionary		13.1
Canadian Imperial Bank of Commerce		3.4	Consumer Staples		2.9
The Stars Group Inc.		3.4	Energy		13.9
Empire Co. Ltd.		3.4	Financials		32.6
MetLife Global Funding		3.4	Health Care		1.5
West Fraser Timber Co.		3.4	Industrials		6.5
Canadian Apartment Property REIT		3.4	Information Technology		6.6
Sun Life Financial Inc.		3.3	Materials		10.2
Bank of Montreal		3.3	Other Assets less Liabilities		0.2
Royal Bank of Canada		3.3	Real Estate		6.2
Toronto Dominion Bank		3.2	Telecommunication Services		2.8
Teck Resources Limited		3.2	Utilities		2.8
Bank of Nova Scotia		3.2	Total	%	100.0
Quebecor Inc.		3.2			
Restaurant Brands International Inc.		3.2			
TransCanada Pipelines		3.1			
Toromont Industries Ltd.		3.0			
National Bank		3.0			
Dollarama Inc.		2.9			
Total	%	84.3			



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