



Interim Financial Statements

Lincluden Balanced Fund

Unaudited

For the periods ended June 30, 2019 and 2018

Notice to Investors

The following semi-annual financial statements have not been reviewed by the independent external auditors of the Fund, KPMG LLP.

Statements of Financial Position

As at	June 30, 2019	December 31, 2018
	\$	\$
ASSETS		
Non-derivative financial assets [Note 8]	77,191,904	75,324,746
Cash	623,276	510,672
Receivable for investments sold	275,246	453,271
Subscriptions receivable	-	350
Interest receivable	152,618	141,209
Dividends receivable	211,054	197,958
Prepaid expenses	25,722	17,714
Total assets	78,479,820	76,645,920
LIABILITIES		
Payable for investments purchased	617,044	470,566
Redemptions payable	2,307	6,714
Accrued management fees	40,308	16,353
Other accrued expenses	40,686	23,761
Distributions payable to holders of redeemable units	-	837
Total liabilities	700,345	518,231
Net assets attributable to holders of redeemable units	77,779,475	76,127,689
Net assets attributable to holders of redeemable units per class		
Series A	829,628	829,747
Series O	26,177,246	24,099,134
Class F	50,772,601	51,198,808
Units outstanding by Series [note 5]		
Series A	55,596	59,101
Series O	1,633,058	1,596,683
Class F	3,255,569	3,487,069
Net assets attributable to holders of redeemable units per unit [note 3]		
Series A	14.92	14.04
Series O	16.03	15.09
Class F	15.60	14.68

The accompanying notes are an integral part of these financial statements.

On behalf of the Fund Manager,
Lincluden Investment Management Ltd., as Trustee:



Adam Morin
Vice President



Philip R. Evans
President

Statements of Comprehensive Income (Loss)

For the periods ended June 30	2019	2018
	\$	\$
INCOME		
Interest for distribution purposes	419,608	456,527
Dividend income	1,250,892	911,497
Other income	-	10,510
Other changes in fair value of investments and derivatives		
Net realized gain on investments	1,556,022	2,637,368
Net realized loss on derivatives	(206)	-
Net foreign exchange gain (loss) on cash	17,039	(50,830)
Net other gain (loss)	(23,658)	29,864
Change in unrealized on foreign exchange gain (loss) on cash	(21,615)	14,979
Change in unrealized appreciation (depreciation) of investments and derivatives	3,225,278	(2,528,035)
	6,423,360	1,481,880
EXPENSES [note 6]		
Management fees	71,341	78,188
Audit fees	17,500	14,575
Operating fees	-	22,444
Custodial and administrative fees	12,500	12,249
Independent review committee fees	17,500	17,500
Recordkeeping and accounting	57,500	51,300
Commissions and other portfolio transaction costs	12,793	16,267
Withholding expenses	74,720	64,459
Harmonized sales tax	20,650	10,949
	284,504	287,931
Expenses waived or absorbed by manager [note 6]	(77,151)	(71,492)
	207,353	216,439
Increase in net assets attributable to holders of redeemable units	6,216,007	1,265,441
Increase in net assets attributable to holders of redeemable units per class		
Series A	61,070	5,770
Series O	2,041,942	459,961
Class F	4,112,995	799,710
Increase in net assets attributable to holders of redeemable units per unit		
Series A	1.06	0.09
Series O	1.26	0.25
Class F	1.24	0.24

The accompanying notes are an integral part of these financial statements.

Statements of changes in net assets attributable to holders of redeemable units

For the periods ended June 30

Series A	2019 \$	2018 \$
Net assets attributable to holders of redeemable units at beginning of period	829,747	995,791
Increase in net assets attributable to holders of redeemable units	61,070	5,770
Distributions paid or payable to holders of redeemable units		
From net investment income	(8,264)	(4,046)
Total distributions to holders of redeemable units	(8,264)	(4,046)
Redeemable unit transactions [note 5]		
Amount received from reinvestment of distributions	8,264	4,046
Amount paid on redemptions of units	(61,189)	(51,348)
Net decrease from redeemable unit transactions	(52,925)	(47,302)
Net decrease in net assets attributable to holders of redeemable units	(119)	(45,578)
Net assets attributable to holders of redeemable units at end of period	829,628	950,213
Series O	2019 \$	2018 \$
Net assets attributable to holders of redeemable units at beginning of period	24,099,134	34,315,114
Increase in net assets attributable to holders of redeemable units	2,041,942	459,961
Distributions paid or payable to holders of redeemable units		
From net investment income	(532,863)	(455,599)
Total distributions to holders of redeemable units	(532,863)	(455,599)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	476,102	88,936
Amount received from reinvestment of distributions	516,119	455,599
Amount paid on redemptions of units	(423,188)	(4,535,893)
Net increase (decrease) from redeemable unit transactions	569,033	(3,991,358)
Net increase (decrease) in net assets attributable to holders of redeemable units	2,078,112	(3,986,996)
Net assets attributable to holders of redeemable units at end of period	26,177,246	30,328,118

Lincluden Balanced Fund

Class F	2019 \$	2018 \$
Net assets attributable to holders of redeemable units at beginning of period	51,198,808	57,876,622
Increase in net assets attributable to holders of redeemable units	4,112,995	799,710
Distributions paid or payable to holders of redeemable units		
From net investment income	(967,759)	(740,489)
Total distributions to holders of redeemable units	(967,759)	(740,489)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	312,059	607,505
Amount received from reinvestment of distributions	967,756	740,489
Amount paid on redemptions of units	(4,851,258)	(3,905,281)
Net decrease from redeemable unit transactions	(3,571,443)	(2,557,287)
Net decrease in net assets attributable to holders of redeemable units	(426,207)	(2,498,066)
Net assets attributable to holders of redeemable units at end of period	50,772,601	55,378,556

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

For the periods ended June 30	2019	2018
	\$	\$
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	6,216,007	1,265,441
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	21,615	(14,979)
Net realized gain on sale of investments	(1,556,022)	(2,637,368)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(3,225,278)	2,528,035
Purchase of investments	(14,263,586)	(15,775,500)
Proceeds from the sale and maturity of investments	17,502,231	22,172,267
Interest receivable	(11,409)	7,901
Dividends receivable	(13,096)	(47,577)
Prepaid expenses	(8,008)	(34,857)
Other liabilities	40,880	66,819
	4,703,334	7,530,182
Financing activities		
Amount received from the issuance of units	788,511	696,439
Amount paid on redemptions of units	(5,340,042)	(8,417,858)
Distributions paid to unitholders	(17,584)	2
	(4,569,115)	(7,721,417)
Change in unrealized on foreign exchange gain (loss) on cash	(21,615)	14,979
Increase (decrease) in cash during the period	112,604	(176,256)
Cash at beginning of period	510,672	1,263,436
Cash at end of period	623,276	1,087,180
Interest received	408,199	464,428
Dividends received, net of withholding taxes	1,163,075	799,462

The accompanying notes are an integral part of these financial statements.

Lincluden Balanced Fund

Schedule of Investment Portfolio (UNAUDITED)

As at June 30, 2019	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
COMMON SHARES — 59.50%			
CANADIAN EQUITIES — 29.70%			
Capital Goods — 0.80%			
Exco Technologies Ltd.	4,260	43,166	33,015
Finning International Inc.	26,490	642,769	632,316
		685,935	665,331
Communications Services — 0.70%			
BCE Inc.	9,500	441,548	566,010
		441,548	566,010
Consumer Discretionary — 1.60%			
Dollarama Inc.	20,670	821,779	952,267
Magna International Inc.	2,790	107,392	181,797
Martinrea International Inc.	3,885	36,864	42,191
Pizza Pizza Royalty Corp.	3,410	49,900	34,066
Uni-Select Inc.	1,400	29,240	17,388
		1,045,175	1,227,709
Consumer Staples — 0.40%			
Corby Spirit and Wine Ltd.	1,650	34,814	29,947
North West Co. Inc. (The)	8,393	235,528	250,867
		270,342	280,814
Energy — 5.70%			
Birchcliff Energy Ltd.	5,220	25,424	13,572
Bonterra Energy Corp.	2,375	33,396	12,849
Canadian Natural Resources Ltd.	22,930	755,641	809,658
Cenovus Energy Inc.	116,735	1,665,782	1,348,289
Ensign Energy Services Inc.	119,305	709,769	511,818
Husky Energy Inc.	68,509	1,052,761	850,197
Peyto Exploration & Development Corp.	2,840	32,021	11,133
Pulse Seismic Inc.	21,745	54,825	48,056
Suncor Energy Inc.	4,300	143,471	175,655
TORC Oil & Gas Ltd.	5,365	29,204	21,943
Vermilion Energy Inc.	23,390	734,964	665,446
		5,237,258	4,468,616
Financial Services — 10.80%			
Bank of Nova Scotia	20,450	1,163,061	1,438,453
Canadian Imperial Bank of Commerce	10,150	972,223	1,045,247
Canadian Western Bank	990	28,451	29,571
CI Financial Corp.	6,980	191,569	148,953
Dream Industrial REIT	3,190	20,644	37,642
Genworth MI Canada Inc.	18,035	729,920	747,370
Home Capital Group Inc.	31,120	917,188	603,417
Intact Financial Corp.	3,120	271,298	377,582
InterRent REIT	1,310	10,468	18,078
Laurentian Bank of Canada	795	36,719	35,759
Manulife Financial Corp.	9,700	175,574	230,860
Plaza Retail REIT	5,615	23,977	23,471
Power Financial Corp.	6,920	206,527	208,431
Royal Bank of Canada	16,365	1,105,840	1,703,106
Toronto-Dominion Bank (The)	22,945	1,095,115	1,755,751
Tricon Capital Group Inc.	3,125	34,839	31,250
		6,983,413	8,434,941
Industrials — 2.30%			
Badger Daylighting Ltd.	260	6,867	12,423
Bird Construction Inc.	163,830	1,261,210	925,640
Richelieu Hardware Ltd.	36,770	946,002	811,514
Russel Metals Inc.	1,045	28,462	23,094
		2,242,541	1,772,671
Information Technology — 3.70%			
Calian Technologies Ltd.	745	20,602	25,326
CGI Inc.	10,170	512,370	1,023,916
Computer Modelling Group Ltd.	131,272	1,112,386	955,660
Constellation Software Inc.	693	300,709	855,335
		1,946,067	2,860,237

Materials — 2.20%			
Canfor Corp.	1,325	11,806	14,085
Cascades Inc.	1,705	15,266	17,971
CCL Industries Inc., Class 'B'	11,240	635,580	721,833
Hudbay Minerals Inc.	2,720	16,426	19,285
Intertape Polymer Group Inc.	2,150	47,690	39,581
Stella-Jones Inc.	17,874	716,949	844,725
West Fraser Timber Co. Ltd.	440	24,242	26,268
		1,467,959	1,683,748
Transportation — 1.50%			
Canadian National Railway Co.	9,505	738,458	1,152,006
Horizon North Logistics Inc.	11,215	30,487	20,860
		768,945	1,172,866
TOTAL CANADIAN EQUITIES		21,089,183	23,132,943
UNITED STATES EQUITIES — 15.60%			
Communications Services — 0.60%			
Verizon Communications Inc.	6,108	340,674	456,967
		340,674	456,967
Consumer Discretionary — 1.00%			
Dollar General Corp.	2,280	263,076	403,557
Lowe's Cos. Inc.	2,975	335,144	393,137
		598,220	796,694
Consumer Staples — 1.70%			
Coca-Cola Co. (The)	3,540	184,775	236,055
Walgreens Boots Alliance Inc.	7,981	673,510	571,385
Walmart Inc.	3,878	307,236	561,116
		1,165,521	1,368,556
Energy — 2.00%			
Chevron Corp.	2,505	304,134	408,216
Devon Energy Corp.	5,472	210,865	204,370
EOG Resources Inc.	4,420	600,067	539,230
Exxon Mobil Corp.	3,874	378,680	388,759
		1,493,746	1,540,575
Financial Services — 3.80%			
American International Group Inc.	4,210	247,073	293,744
Bank of America Corp.	12,428	282,590	471,978
Citigroup Inc.	5,654	361,349	518,516
Federal Realty Investment Trust	3,190	495,561	537,890
JPMorgan Chase & Co.	1,623	113,258	237,620
Morgan Stanley	5,168	150,420	296,495
Washington Prime Group Inc.	25,145	362,631	125,787
Wells Fargo & Co.	7,248	392,408	449,143
		2,405,290	2,931,173
Health Care — 1.90%			
Centene Corp.	6,500	484,324	446,373
Johnson & Johnson	2,022	222,973	368,801
Pfizer Inc.	7,371	244,592	418,155
Zimmer Biomet Holdings Inc.	1,421	161,906	219,099
		1,113,795	1,452,428
Industrials — 0.60%			
Honeywell International Inc.	1,946	202,868	444,922
		202,868	444,922
Information Technology — 3.10%			
Apple Inc.	2,250	506,587	583,169
Cisco Systems Inc.	6,864	242,308	491,954
Corning Inc.	5,341	118,138	232,421
Microsoft Corp.	3,039	162,593	533,123
Oracle Corp.	7,293	312,924	544,095
		1,342,550	2,384,762
Materials — 0.90%			
Corteva Inc.	2,366	83,582	91,620
Dow Inc.	6,281	478,800	405,589
DuPont de Nemours Inc.	2,366	588,803	232,596
		1,151,185	729,805
TOTAL UNITED STATES EQUITIES		9,813,849	12,105,882

INTERNATIONAL EQUITIES — 14.20%**Austria — 0.50%**

AMS AG	7,370	396,781	378,364
		396,781	378,364

Finland — 0.40%

Nordea Bank ABP	36,430	457,592	346,533
		457,592	346,533

France — 2.70%

AXA SA, ADR	8,480	262,172	290,729
Orange SA, ADR	26,438	557,436	544,256
Sanofi SA, ADR	6,637	353,115	376,081
TOTAL SA, ADR	3,520	215,249	257,170
Vinci SA	4,405	336,508	590,743
		1,724,480	2,058,979

Germany — 2.40%

Deutsche Boerse AG	1,270	114,032	235,258
Fresenius Medical Care AG	6,230	588,110	640,486
Henkel AG & Co. KGaA	3,646	395,357	438,410
SAP SE, ADR	1,643	145,418	294,338
Siemens AG, ADR	3,721	252,639	290,713
		1,495,556	1,899,205

Hong Kong — 0.40%

China Mobile Ltd., ADR	5,090	339,718	301,885
		339,718	301,885

Italy — 0.70%

Prysmian SPA	19,405	602,443	524,458
		602,443	524,458

Japan — 0.60%

Nissan Motor Co. Ltd.	28,535	333,942	267,432
SECOM Co. Ltd.	1,855	137,230	208,955
		471,172	476,387

Netherlands — 2.00%

Akzo Nobel NV	2,466	198,743	303,462
ING Groep NV, ADR	23,021	401,430	348,803
Royal Boskalis Westminster NV	16,789	649,001	507,756
Royal Dutch Shell PLC, ADR, Class 'A'	4,860	312,126	414,132
		1,561,300	1,574,153

Switzerland — 1.40%

ABB Ltd., ADR	13,749	318,407	360,640
Kuehne + Nagel International AG, Registered	1,865	358,756	362,519
Nestlé SA, ADR, Registered	2,737	203,209	370,610
		880,372	1,093,769

United Kingdom — 3.10%

GlaxoSmithKline PLC, ADR	10,408	530,712	545,465
Inchcape PLC	41,465	493,544	424,787
National Grid PLC	16,979	273,828	236,006
Reckitt Benckiser Group PLC	4,330	488,463	447,474
Unilever PLC	4,345	262,756	353,677
Vodafone Group PLC, ADR	19,755	675,041	422,460
		2,724,344	2,429,869

TOTAL INTERNATIONAL EQUITIES

10,653,758 11,083,602

TOTAL EQUITIES

41,556,790 46,322,427

BONDS — 38.30%**Government of Canada — 4.30%**

Canada Housing Trust No. 1, Variable Rate, 2.157%, 15/09/21	1,605,000	1,618,628	1,617,005
Canada Housing Trust No. 1, 2.350%, 15/06/27	730,000	708,078	757,977
Government of Canada, 2.250%, 01/06/25	273,000	284,282	285,951
Government of Canada, 1.000%, 01/06/27	285,000	254,973	275,572
Government of Canada, 2.000%, 01/06/28	380,000	387,030	397,259
		3,252,991	3,333,764

Provincial Government — 15.00%

Province of Alberta, 2.350%, 01/06/25	1,210,000	1,179,771	1,237,967
Province of British Columbia, 3.250%, 18/12/21	865,000	939,510	897,839
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	329,023
Province of New Brunswick, 3.650%, 03/06/24	235,000	258,930	254,399
Province of Ontario, 3.150%, 02/06/22	3,920,000	4,175,815	4,081,009
Province of Ontario, 3.500%, 02/06/24	380,000	426,383	409,637
Province of Ontario, 2.400%, 02/06/26	1,135,000	1,155,453	1,164,500
Province of Ontario, 2.600%, 02/06/27	430,000	419,431	446,612
Province of Quebec, 4.250%, 01/12/21	905,000	1,028,914	960,283
Province of Quebec, 3.750%, 01/09/24	260,000	296,666	284,434
Province of Quebec, 2.750%, 01/09/25	1,355,000	1,392,110	1,420,783
Province of Saskatchewan, 3.200%, 03/06/24	165,000	176,342	175,553
		11,772,375	11,662,039

Municipal Government — 0.10%

Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	39,600
		40,286	39,600

Corporate Bonds — 18.90%

407 International Inc., Callable, 4.300%, 26/05/21	245,000	274,694	254,296
407 International Inc., Callable, 2.430%, 04/05/27	65,000	64,976	65,834
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	136,352
AltaGas Ltd., Callable, 3.570%, 12/06/23	85,000	85,190	87,701
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	63,757
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	183,861
Bank of Montreal, 1.880%, 31/03/21	265,000	266,054	264,764
Bank of Montreal, Callable, 3.400%, 23/04/21	50,000	53,393	51,299
Bank of Montreal, 2.270%, 11/07/22	510,000	505,588	514,046
Bank of Montreal, 2.700%, 11/09/24	415,000	407,522	427,839
Bank of Nova Scotia, 2.873%, 04/06/21	460,000	480,335	468,148
Bank of Nova Scotia, 2.360%, 08/11/22	395,000	394,945	399,169
Bank of Nova Scotia, 2.980%, 17/04/23	305,000	304,915	315,439
Bank of Nova Scotia, 2.290%, 28/06/24	125,000	124,992	126,254
Bell Canada, Callable, 2.700%, 27/02/24	80,000	79,909	81,025
Bell Canada, Callable, 3.550%, 02/03/26	190,000	190,064	199,749
Bell Canada, Callable, 2.900%, 12/08/26	150,000	141,633	151,667
Bell Canada Inc., Callable, 2.750%, 29/01/25	110,000	109,774	111,386
Cameco Corp., Series 'E', 3.750%, 14/11/22	135,000	138,701	138,919
Cameco Corp., Callable, 4.190%, 24/06/24	100,000	100,916	104,772
Canadian Imperial Bank of Commerce, 1.850%, 14/07/20	305,000	305,679	304,758
Canadian Imperial Bank of Commerce, 1.900%, 26/04/21	140,000	140,239	139,873
Canadian Imperial Bank of Commerce, 2.040%, 21/03/22	85,000	84,972	85,126
Canadian Imperial Bank of Commerce, 2.470%, 05/12/22	470,000	468,125	476,792
Canadian Imperial Bank of Commerce, 3.290%, 15/01/24	300,000	309,705	311,802
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	137,925
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	52,213
CCL Industries Inc., Series '1', Callable, 3.864%, 13/04/28	40,000	40,000	42,514
Choice Properties L.P., Series '10', Callable, 3.600%, 20/09/22	475,000	477,546	490,372
Choice Properties REIT, Series 'M', Restricted, Callable, 3.532%, 11/06/29	80,000	80,000	81,371
Enbridge Inc., Callable, 3.950%, 19/11/24	50,000	50,000	53,442
ENMAX Corp., Callable, 3.805%, 05/12/24	75,000	75,000	78,946
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	63,470
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	69,728
Hydro One Inc., Callable, 3.200%, 13/01/22	275,000	294,620	283,160
Inter Pipeline Ltd., Callable, 2.608%, 13/09/23	25,000	25,000	25,091
Inter Pipeline Ltd., Callable, 2.734%, 18/04/24	55,000	55,000	55,344
Inter Pipeline Ltd., Callable, 3.173%, 24/03/25	70,000	67,059	71,554
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	125,000	125,527	129,377
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	63,413
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	212,689

National Bank of Canada, 1.742%, 03/03/20	290,000	286,491	289,692
National Bank of Canada, 1.809%, 26/07/21	805,000	799,916	803,023
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'J', Callable, 2.800%,	95,000	94,110	95,947
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	470,000	467,909	504,515
Reliance L.P., Callable, 3.836%, 15/03/25	175,000	174,996	182,094
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	118,398
Rogers Communications Inc., Callable, 4.000%, 13/03/24	550,000	579,194	587,576
Rogers Communications Inc., Callable, 3.250%, 01/05/29	60,000	59,848	61,543
Royal Bank of Canada, 1.968%, 02/03/22	485,000	483,920	485,023
Royal Bank of Canada, 3.296%, 26/09/23	515,000	525,867	535,829
Royal Bank of Canada, 2.352%, 02/07/24	170,000	170,000	170,000
Royal Bank of Canada, 4.930%, 16/07/25	130,000	159,325	150,317
Shaw Communications Inc., Callable, 4.350%, 31/01/24	365,000	388,300	392,097
SNC-Lavalin Group Inc., Series '4', Callable, 3.235%, 02/03/23	240,000	233,211	239,751
Sun Life Financial Inc., 4.570%, 23/08/21	15,000	16,005	15,809
TELUS Corp., Callable, 3.750%, 17/01/25	100,000	99,775	106,088
Toronto-Dominion Bank (The), 2.045%, 08/03/21	1,205,000	1,195,896	1,207,363
Toronto-Dominion Bank (The), 1.994%, 23/03/22	240,000	237,085	240,246
Toronto-Dominion Bank (The), 2.496%, 02/12/24	120,000	120,000	120,821
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	215,000	214,923	215,961
TransCanada PipeLines Ltd., Callable, 3.690%, 19/07/23	630,000	657,107	662,410
Westcoast Energy Inc., Callable, 3.770%, 08/12/25	15,000	16,132	16,096
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	160,861
		14,478,769	14,736,697
TOTAL BONDS		29,544,421	29,772,100
SHORT-TERM INVESTMENTS — 1.40%			
Government of Canada Treasury Bill, 1.670%, 22/08/19	1,100,000	1,095,611	1,097,377
		1,095,611	1,097,377
TRANSACTION COSTS		(37,677)	
TOTAL INVESTMENT PORTFOLIO — 99.20%		72,159,145	77,191,904
OTHER ASSETS, NET OF LIABILITIES — 0.80%			587,571
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%			77,779,475

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

For the periods ended June 30, 2019 and 2018

1. ESTABLISHMENT OF THE FUND

The Lincluden Balanced Fund (the "Fund") is an open-end mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 23, 2000. The address of the Fund's registered office is 201 City Centre Drive, Suite 201, Mississauga, Ontario. The Fund commenced operations on September 29, 2000. Lincluden Investment Management Limited acts as the Trustee and Investment Manager of the Fund (the "Fund Manager").

The investment objective of the Fund is to generate both capital appreciation and income, while maintaining a relatively low level of risk. To achieve its objectives, the Fund invests in a diverse portfolio of stocks, government and corporate bonds, and short-term instruments such as Government of Canada treasury bills.

2. BASIS OF PREPARATION

Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were authorized for issue by the Board of Directors of the Manager on August 27, 2019.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss which are presented at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

(i) Recognition, initial measurement and classification

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value (see below), with transaction costs recognized in the statements of comprehensive income. Other financial assets and financial liabilities are recognized on the date on which they are originated at fair value.

The Fund classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss: debt securities, equity investments and derivative financial instruments
- Financial assets at amortized cost: All other financial assets
- Financial liabilities classified at fair value through profit or loss: derivative financial instruments and securities sold short, if any
- Financial liabilities at amortized cost: all other financial liabilities.

(ii) Fair value measurement

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing sale price. Securities with no available closing prices are valued at the last available sale or close price. In respect of any unlisted or non-exchange traded securities, or securities for which a last sale or close price are unavailable or securities for which market quotations are, in the Fund Manager's opinion, inaccurate, unreliable, or not reflective of all available material information, such securities are valued at their fair value as determined by the Fund Manager. Short-term notes are valued at cost plus accrued interest, which approximates fair value.

The Fund may enter into forward foreign exchange contracts with the intention to offset or reduce exchange rate risks associated with the investments. The value of these forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out and recorded as a derivative asset/liability in the statements of financial position. When the forward contracts are closed out or mature, realized gains or losses on forward contracts are recognized and are included in the statements of comprehensive income (loss).

Investments in pooled funds are valued at the unit values supplied by the underlying fund's administrator.

The fair value of other financial assets and liabilities approximates their carrying values due to the short-term nature of these instruments.

Fair value policies used for financial reporting purposes are the same as those used to measure the net asset value (“NAV”) for transactions with unitholders.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements 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.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gains and losses.

Cash

Cash consists of cash on deposit with financial institutions.

Investment transactions and income recognition

The Fund follows the accrual method of recording investment income and expenses. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security on the ex-dividend date.

The interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest earned 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.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

Foreign currency translation

The fair values of foreign currency denominated investments are translated into Canadian dollars, using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains and

losses are presented as foreign exchange gain (loss), except for those arising from financial instruments at fair value through profit or loss which are recognized as a component within “Net realized gain (loss) on investments” and “Change in unrealized appreciation (depreciation)” in the statements of comprehensive income (loss).

Income taxes

The Fund presently qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada), and accordingly, is not taxed on that portion of its taxable income, which is paid or payable to unitholders at the end of the taxation year. The Fund has elected for a December 15 taxation year end. The Fund pays out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

Capital losses and non-capital losses incurred by the Funds cannot be allocated to unitholders but capital losses may be carried forward indefinitely to reduce future realized capital gains and non-capital losses may be carried forward for 20 taxation years to reduce future net income for tax purposes. As at December 31, 2018, the Fund has no non-capital losses (2017 – nil) and no capital losses carrying forward (2017 - nil).

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in the country of origin. During the period, the average withholding tax rate was 15% (2018 -15%).

Redeemable Units

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale. The amount is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their net asset value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable units, which are classified as financial liabilities, are measured at the redemption amount and are considered a residual interest in the assets of the Fund after deducting all of its liabilities.

Net assets attributable to holders of redeemable units is calculated for each series of units of the Fund by taking the respective series’ proportionate share of the Fund’s net assets and dividing by the number of units of that class outstanding on the valuation date.

The increase (decrease) in net assets attributable to holders of redeemable units per unit by series in the statements of comprehensive income (loss) represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of that series outstanding during the reporting period. Income, expenses other than management fees, and realized and unrealized capital gains (losses) are distributed amongst the different classes of units in proportion to the amount invested in them.

Receivable for investments sold/Payable for investments purchased

Amounts receivable for investments sold/payable for investments purchased represent amounts receivable/payable from/to brokers relating to transactions entered into but not yet settled for the sale/purchase of investments.

Accounting changes

IFRS 9, Financial Instruments Transition:

Effective January 1, 2018, the Fund adopted IFRS 9, Financial Instruments ("IFRS 9"). The new standard introduced a model for classification and measurement of financial assets and liabilities including those carried at amortized cost; fair value, with changes in fair value recognized in FVTPL; or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of these financial assets.

The Fund is comprised of a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis that is primarily focused on fair value information and uses that information to assess the assets' performance in accordance with the Fund's investment strategy. For such a portfolio the collection of contractual cash flows is only incidental to achieving the Fund's investment objectives. The assessment and decision on the business model approach used is an accounting judgement. The Fund's financial assets and financial liabilities previously classified as FVTPL or held-for-trading under International Accounting Standard ("IAS") 39, Financial Instruments Recognition and Measurement ("IAS 39"), are now classified as FVTPL and there were no changes in the measurement attributes. Any assets previously classified as loans and receivables under IAS 39 are now classified and measured at amortized cost under IFRS 9. The classification and measurement of liabilities under the new standard remains generally unchanged. The adoption of IFRS 9 has been applied retrospectively effective January 1, 2018 and did not result in any changes in net assets.

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" ("ECL") model. The new impairment model applies to financial assets measured at amortized cost and debt investments at FVOCI, but not investment in equity instruments. The Fund has determined that the application of IFRS 9's impairment requirements at January 1, 2018 does not result in any impairment of cash and cash equivalents, balances due from brokers or any other receivables.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the Fund Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates

are recognised prospectively. The most significant accounting judgement and estimate that the Fund has made in preparing the financial statements is determining the fair value measurement of derivatives and investments not quoted in an active market, if any. See note 8 for more information on the fair value measurement of the Fund's financial instruments.

5. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of units in Series A, Series F, Series I and Series O. Series A Units, the Series F Units, the Series I Units and the Series O Units all have the same attributes, except that:

- (a) a different management fee may be payable by the Fund in respect of the Series A Units and Series F Units.
- (b) no management fee shall be payable by the Fund in respect of the Series I Units or Series O Units.

Further information on the rights, privileges and restrictions attaching to each Series is set out in the Fund's Declaration of Trust and Prospectus.

The Fund is required to distribute any net income and capital gains that it has earned in the year. Income earned by the Fund is distributed to unitholders at least once per year, if necessary, and these distributions are either paid in cash or reinvested by unitholders into additional units of the Fund. Distributions payable to holders of redeemable units are recognized in the statements of changes in net assets attributable to holders of redeemable units. The units of the Fund are classified as financial liabilities as there is a requirement to distribute net income and capital gains and the Fund has multiple series of units with different features.

Unit transactions for the periods ended June 30, 2019 and June 30, 2018 are as follows:

Series A	June 30, 2019	June 30, 2018
	Number of Units	Number of Units
Opening	59,101	62,076
Subscriptions	–	–
Distributions reinvested	554	254
Redemptions	(4,059)	(3,205)
Closing	55,596	59,125
Average	57,363	61,028

	June 30, 2019	June 30, 2018
Series O	Number of Units	Number of Units
Opening	1,596,683	2,026,372
Subscriptions	30,848	5,314
Distributions reinvested	32,207	27,167
Redemptions	(26,680)	(269,661)
Closing	1,633,058	1,789,192
Average	1,614,706	1,862,456
	June 30, 2019	June 30, 2018
Class F	Number of Units	Number of Units
Opening	3,487,069	3,442,518
Subscriptions	20,347	36,418
Distributions reinvested	62,070	44,460
Redemptions	(313,917)	(232,970)
Closing	3,255,569	3,290,426
Average	3,323,567	3,366,268

6. RELATED PARTY TRANSACTIONS AND FUND EXPENSES

Management Fees and Other Expenses

Each series of the Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all series. Expenses may include legal fees, audit fees, custodial fees, taxes and servicing costs. The Fund Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the statements of comprehensive income (loss). The Fund Manager may cease to absorb expenses at any time.

For Series A, the management fee is 1.75% plus GST/HST and it is charged directly to the Fund. For Series O, the Fund Manager receives no management fees directly from the Fund for management of the Fund, but instead charges management fees directly to unitholders. As such, the management fee is not an expense of the Fund for Series O.

Independent Review Committee

The total remuneration paid to independent review committee members amounted to \$17,500 (June 30, 2018 - \$17,500).

Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 82,754 redeemable units in the Fund (December 31, 2018 – 80,320).

7. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the period ended June 30, 2019 amounted to \$12,793 (June 30, 2018 - \$16,267). The Fund

recognizes that it has a duty to its clients to seek the most favourable execution terms that are reasonably available given the circumstances of each trade. While the ability to trade at the best price is normally the most important consideration in determining best execution consideration is also given to the full range and quality of a broker's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness.

The brokerage commissions paid on securities transactions may include "soft dollar" amounts, such as the value of research and other services provided by the broker. Although the Manager uses best efforts to determine the soft dollar portion of commissions paid on portfolio transactions of the Fund, the soft dollar portion, in some instances, is not ascertainable. The Fund paid no soft dollars on the reported period.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's investment activities expose it to various types of risks associated with the financial instruments in which it invests directly. The Manager seeks to minimize potential adverse effects of these risks for the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines and securities regulations.

Please refer to the most recent prospectus and annual information form for a complete discussion of the risks attributed to an investment in the units of the Fund. Significant financial instrument risks that are relevant to the Fund and an analysis of how they are managed are presented below.

Currency risk

The Fund invests in securities denominated in currencies other than its reporting currency, the Canadian dollar. Consequently, the Fund is exposed to risks that the exchange rate of the Canadian dollar relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets.

The table below indicates the currencies to which the Fund had significant exposure at year end, on both its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange forward contracts.

**Currency Risk
June 30, 2018**

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	17,319,310	—	17,319,310	22.27%
Euro	3,588,973	—	3,588,973	4.61%
British Pound	1,658,936	—	1,658,936	2.13%
Japanese Yen	510,811	—	510,811	0.66%
Swiss Franc	382,126	—	382,126	0.49%

**Currency Risk
December 31, 2018**

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	16,533,357	—	16,533,357	21.72%
Euro	3,605,489	—	3,605,489	4.74%
British Pound	1,674,745	—	1,674,745	2.20%
Japanese Yen	530,206	—	530,206	0.70%
Swiss Franc	235,840	—	235,840	0.31%

As at June 30, 2019, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$1,173,008 (December 31, 2018 - \$1,128,982). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

The Fund invests in interest-bearing securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the sale of securities.

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The table below summarizes the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates. The interest rate risk associated with short-term investments is minimal and therefore not included in the table below.

Interest Rate Risk**June 30, 2019:**

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	289,692	12,159,024	6,383,979	10,939,405	29,772,100

Interest Rate Risk**December 31, 2018:**

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	–	7,595,561	8,905,868	12,434,273	28,935,702

As at June 30, 2019, had the prevailing interest rates raised or lowered by 1%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by \$1,193,645 (December 31, 2018 - \$1,244,108).

Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of counterparty on its obligation to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and balances due from brokers and receivables. Credit risk is managed by dealing with counterparties the Fund believes to be creditworthy and by regular monitoring of credit exposures.

The Fund manages credit risk within its debt portfolio by: complementing the research of rating agencies by its own internal analysis, diversifying the portfolio by issuer, controlling exposure to individual issues and maintaining exposure across industry sectors.

As at June 30, 2019 and December 31, 2018, the Fund invested in debt securities with the following credit characteristics:

Credit Risk

Bond Ratings	Percentage of Net Assets	
	June 30, 2019	December 31, 2018
AAA	5.44%	6.55%
AA	9.81%	8.93%
A	15.41%	14.41%
BBB	7.62%	8.12%
Total	38.28%	38.01%

The Fund's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position.

The Fund's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by

conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), 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 careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are monitored on a daily basis.

As at June 30, 2019, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,316,121 (December 31, 2018 - \$2,294,558) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Liquidity risk

The Fund is exposed to daily cash redemptions of units. It therefore invests its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realizable.

The Fund's liquidity position is monitored on a daily basis and all the Fund's financial liabilities are short-term in nature and due within 90 days.

Fair Value Hierarchy

The Fund measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices),
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which change has occurred. During the period ended June 30, 2019, securities valued at approximately \$1,016,069 were transferred from Level 1 to Level 2 following the modification of the classification (June 30, 2018 – nil). During the period ended June 30, 2019, there were no transfers from Level 2 to Level 1 (June 30, 2018 – \$1,465,000).

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of June 30, 2019 and December 31, 2018:

**Fair Value Measurement of Financial Instruments
As at June 30, 2019**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 45,345,049	\$ 977,378	\$ —	\$ 46,322,427
Bonds	—	29,772,100	—	29,772,100
Short-Term Investments	—	1,097,377	—	1,097,377
Total Investments	\$ 45,345,049	\$ 31,846,855	\$ —	\$ 77,191,904

**Fair Value Measurement of Financial Instruments
As at December 31, 2018**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 45,891,150	\$ —	\$ —	\$ 45,891,150
Bonds	—	28,935,702	—	28,935,702
Short-Term Investments	—	497,894	—	497,894
Total Investments	\$ 45,891,150	\$ 29,433,596	\$ —	\$ 75,324,746

9. CAPITAL MANAGEMENT

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net assets attributable to holders of redeemable units per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.