Lincluden Balanced Fund

Semi-Annual Management Report of Fund Performance
For the six months ended June 30, 2019

Dear Investor,

This semi-annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You may receive a copy of the semi-annual financial statements, at your request, and at no cost, by calling 905-273-4240 (1-844-373-4240), by writing to us at Lincluden Investment Management Limited, 201 City Centre Drive, Suite 201, Mississauga, Ontario, L5B 2T4 or by visiting our website at www.lincluden.com or SEDAR at www.sedar.com.

You may request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by contacting us using one of the methods offered above.

Lincluden Investment Management Limited
Manager of the Lincluden Balanced Fund

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Lincluden Balanced Fund is to create long-term wealth for the Fund's investors using value-based, risk managed disciplines. Success at achieving the Fund's objective requires disciplined asset allocation and security selection approaches.

The development of tactical asset mix policy is an approach that has balanced inputs. It reflects a marrying of top down with bottom up inputs. We consider the valuation of equity markets relative to a risk free rate; which for purposes of the valuation represents long term Government of Canada bond yields. We give consideration to inflation and corporate profitability and the valuation of the bond market itself in this process.

Equally important in final asset allocation policy, and particularly so in the allocation of equities between Canadian equities and foreign equities, is the opportunity set of attractively priced equities that we are identifying on a global basis.

Our portfolio managers screen a broad universe of Canadian, U.S. and international stocks in our ongoing search for undervalued securities. Investment decisions are based on a thorough financial assessment of corporations and their management teams to identify securities that are trading at a substantial discount to our appraisal of their fair value.

Our fixed income portfolios are structured to achieve the most efficient combination of duration, credit, yield curve and foreign exposure from a long-term, risk-reward perspective.

In searching for the best value opportunities in fixed income markets, we consider both domestic and foreign securities. When we find better value opportunities in foreign markets, our preference is to eliminate foreign exchange risk through the use of hedging.

Risk

Risk ratings have been determined separately for each class of units of the Fund and are disclosed in the Fund Facts and the Fund's Simplified Prospectus. The investment risk level of the Fund is reviewed on an annually basis, or whenever there is a material change to the Fund. More methodology information can be found in the Fund's Simplified Prospectus. As a result of employing the revised methodology and conducting the regular annual review during the period, no changes were made to the risk ratings for all classes of units, for which the risk rating was maintained as "Low to Medium". There have been no changes to the investment objectives or strategies of the Fund.

Results of Operations

On-going trade concerns between the U.S. and China, combined with a change in sentiment by the U.S. Federal Reserve, contributed to lower bond yields throughout the first half of the year. Discussions between the U.S. and China continue to get pushed down the road with no resolution in place. The Fed has shifted fairly abruptly from its original path of embarking on a tighter monetary policy to now preparing markets for the possibility of an interest rate cut. While equity markets remain elevated, interest rate levels in the bond market are foreshadowing global economic concerns and uncertainty. The spread between corporate bonds and Government of Canada bonds tightened during the first half of the year on the back of strong valuations in equity markets as well as a healthy appetite on the part of investors for corporate bonds.

Meanwhile, equity markets rallied in the first half of the year with all sectors advancing. The uncertainty created by ongoing trade tensions and geopolitical fears caused worries as to the impact it would have on global economic growth. This caused central banks to retreat from monetary tightening policies at the beginning of the year to start telegraphing more accommodative policies.

For the 6 months of the year, the Fund posted a moderate positive return. The bond portfolio performance was positive for the year. The Canadian equities both posted strong positive returns, while the returns for the Global equities were more muted.

The Canadian equity portfolio posted a strong return. Holdings in the Financials sector including the banks and insurance companies added to the performance. Some of the Energy holdings including Cenovus and Computer Modelling Group had solid returns. A lack of exposure to Healthcare, Real Estate, and Utilities affected the relative performance as those sectors posted strong returns during the period. The Information Technology (CGI and Constellation Software) and the Materials (CCL Industries and Stella-Jones) holdings added to the performance with strong returns. Strong stock selection in various companies including BCE, Dollarama, and Canadian National Railway helped as their share prices appreciated.

The foreign equity portfolio had a moderate return in Canadian Dollar terms.

Holdings in the Financials sector including the banks and insurance companies added to the performance during the period. The information technology holdings including AMS, Apple, Cisco, Microsoft, Oracle and SAP had strong returns. The Energy holdings including Chevron, Devon Energy, Exxon Mobil, and Royal Dutch Shell appreciated. The lower exposure to Consumer Discretionary detracted from the performance as the sector advanced, although the position in Dollar General was a positive contributor. In the Consumer Staples sector, Nestle, Unilever, and Walmart were positive contributors, while Walgreens detracted from the performance. Strong stock selection in various companies including Akzo Nobel, Fresenius Medical Care, Honeywell, and Vinci helped as their share prices appreciated.

Recent Developments

The overall performance of the bond portfolio was positive for the year. Corporate bond exposure contributed to bond performance during 2019 due to the yield advantage as well as the tightening of corporate spreads.

Asset mix continues to be targeted at the long-term policy weight with 60% in equities and 40% in fixed income, which includes primarily bonds, and a small percentage in cash.

Several Canadian and Global stocks were sold as they reached their target price. In addition, several new positions were initiated taking advantage of pricing opportunities as they presented themselves.

In the Canadian equity portfolio the position in Gluskin Sheff was eliminated while a new position in Finning was initiated.

The position in Gluskin Sheff was eliminated as the acquisition bid it received from Onex last quarter drove the shares higher past our target price. The proceeds were redeployed into other holdings with more upside potential.

Finning is the largest Caterpillar dealer globally with operations in the resource rich areas of Western Canada, South America, as well as the UK and Ireland. As a Caterpillar authorized dealer, Finning sells, rents and services equipment to diverse end markets including mining, energy and construction. A challenging environment in Western Canada and South America have recently weighed on the stock price. However, the company has made operational improvements, which should provide a path to improved profitability. Together with improved demand, we expect Finning to provide a favourable earnings and cash flow profile. The company has a strong balance sheet and offers an attractive dividend yield over 3%.

In the Foreign equity portfolio the positions in Metlife, and Procter & Gamble were eliminated while new positions in Centene and Keuhne & Nagel were initiated.

Metlife was sold during the quarter as the stock rose to its one year high following a solid earnings release that exceeded expectations. The shares reached our target price and we no longer viewed the risk/reward as favourable. Procter & Gamble was sold during the quarter after the stock appreciated on strong quarterly earnings results and the shares reached our target price.

A new position was established in Centene after the stock sold off aggressively and reflected an attractive entry point. Centene is the largest Medicaid managed care operator in the US and has leading positions in each of the 14 States in which it operates. There remains a secular shift towards managed Medicaid from government and Centene is well-positioned to capitalize on it. The pending acquisition of Wellcare provides complementary growth channels and is financially accretive. Valuation is very attractive.
Keuhne & Nagel is one of the world's largest freight forwarding companies and has earned leading positions across its business lines. While it is influenced by global economic activity, it has shown the ability to outperform in recessions given its asset-light business. The company has continued to invest in automating its processes in order to cut down on fulfillment times. It is very profitable with a clean balance sheet. The current dividend yield is very attractive and has grown markedly over the years. The valuation is attractive in comparison to its long-term averages.

It should be noted that DowDuPont eventually split into three companies including Dow, DuPont, and Corteva and all three positions were held given their attractive valuation. Dow is a focused commodity producer that should benefit from its transformation and focus on generating higher returns on investments with a lower cost base. The company has adopted a shareholder friendly capital allocation strategy that consists of an attractive and growing dividend including a share buyback program. DuPont is a specialty products business that is mainly exposed to industrial markets with a smaller exposure to consumer products. The company has leading positions across its portfolio that has enabled it to consistently outgrow their end-markets and GDP stemming from its ability to add value to its customers by reducing costs and improving quality. Management has exhibited prudent capital allocation discipline, with an explicit dividend policy and any excess cash to be used for share buybacks. Corteva is the combination of Dow AgroSciences, DuPont Pioneer, and DuPont Crop Protection and is the only pure-play Agriculture company across seeds, traits, biotechnology and precision agriculture as competitors have been acquired in recent years. The company's earnings are tied to the steady agriculture cycle and not driven by GDP. Corteva has significant synergies from the combination of DowDupont that will improve operating margins for several years.

Related Party Transactions

Lincluden Investment Management Limited ("Lincluden") is the Trustee, Portfolio Advisor and Manager of the Fund, receiving a fee for the services the firm provides as Portfolio Advisor. Lincluden pays commissions to investment dealers who transact in buy and sell activity in the Fund's investments at a rate that is reflective of the general service provided to Lincluden by the dealer. The quality of service is generally measured related to the execution capabilities of the dealer but may also reflect the quality of investment research made available by the dealer. Lincluden provides, or arranges for the provision of, all general management and administrative services required by the Fund in its day to day operations.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Lincluden Balanced Fund and are intended to help you understand the Fund's financial performance for the six-month period ended June 30, 2019 and for the past 5 financial years ended December 31. This information is derived from the Fund's unaudited interim financial statement and the audited annual financial statements.

Net Assets per Unit– Series A						
	Interim (June 2019)	2018	2017	2016	2015	2014
Net Assets, beginning of period[1, 2,]	$14.04	$16.04	$15.71	$14.67	$14.47	$14.04
Increase (decrease) from operations:						
Total revenue	$0.32 $	$0.50	$0.46	$0.44	$0.43	$0.46
Total expenses	($0.17)	($0.39)	($0.35)	($0.33)	($0.34)	($0.31)
Realized gains (losses) for the period	$0.29	$0.92	$0.32	$0.21	$0.56	($0.05)
Unrealized gains (losses) for the period	$0.62	($1.72)	($0.01)	$0.77	($0.26)	$0.63

Total increase (decrease) from operations[1]	$1.06	($0.69)	$0.42	$1.09	$0.39	$0.73
Distributions:						
From income (excluding dividends)	$0.15	$0.08	$0.14	$0.07	$0.10	$0.10
From dividends	NIL	$0.05	NIL	$0.04	$0.04	$0.04
From capital gains	NIL		NIL	NIL	$0.06	$0.13
Return of capital	NIL	NIL	NIL	NIL	NIL	NIL
Total annual distributions[3, 4]	$0.15	$1.25	$0.14	$0.11	$0.20	$0.27
Net Assets, end of period[1, 2, 5]	$14.92	$14.04	$16.04	$15.71	$14.67	$14.47

Net Assets per Unit– Series F (Series F units established December 8, 2017)						
	Interim (June 2019)	2018	2017	2016	2015	2014
Net Assets, beginning of period[1, 2,]	$14.68	$16.81	$-			
Increase (decrease) from operations:						
Total revenue	$0.33	$0.53	$0.02			
Total expenses	($0.05)	($0.12)	$-			
Realized gains (losses) for the period	$0.31	$0.97	$0.07			
Unrealized gains (losses) for the period	$0.65	($1.88)	($0.17)			
Total increase (decrease) from operations[1]	$1.24	($0.50)	($0.08)			
Distributions:						
From income (excluding dividends)	$0.30	$0.26	$0.10			
From dividends	NIL	$0.16	NIL			
From capital gains	NIL	$1.20	$0.11			
Return of capital	NIL	NIL	NIL			
Total annual distributions[3, 4]	$0.30	$1.6	$0.21			
Net Assets, end of period[1, 2, 5]	$15.60	$14.68	$16.81			

Net Assets per Unit – Series O						
	Interim (June 2019)	2018	2017	2016	2015	2014
Net Assets, beginning of year[1, 2]	$15.09	$16.93	$16.56	$15.44	$15.20	$14.73
Increase (decrease) from operations:						
Total revenue	$0.34	$0.53	$0.49	$0.47	$0.46	$0.48
Total expenses	($0.03)	($0.07)	($0.04)	($0.04)	($0.04)	($0.04)
Realized gains (losses) for the period	$0.32	$0.97	$0.30	$0.23	$0.59	$0.04
Unrealized gains (losses) for the period	$0.63	($1.82)	$0.16	$1.03	($0.26)	$0.53
Total increase (decrease) from operations[1]	$1.26	($0.39)	$0.91	$1.69	$0.74	$1.01
Distributions:						
From income (excluding dividends)	$0.33	$0.29	$0.40	$0.27	$0.28	$0.31
From dividends	NIL	$0.18	NIL	$0.13	$0.14	$0.14
From capital gains	NIL	$0.91	NIL	NIL	$0.08	$0.12
Return of capital	NIL	NIL	NIL	NIL	NIL	NIL
Total annual distributions[3, 4]	$0.33	$1.38	$0.40	$0.40	$0.50	$0.57
Net Assets, end of period[1, 2, 5]	$16.03	$15.09	$16.93	$16.56	$15.44	$15.20

[1]Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted number of units outstanding over the financial period.
[2] Information is in accordance with IFRS.
[3] Distributions were paid in cash/reinvested in additional units of the Fund, or both.
[4] The Fund's prospectus provides that, "Each calendar year, the Fund distributes net income and net realized capital gains to Unitholders of the Fund to the extent necessary to ensure the Fund does not pay ordinary income tax. Distributions of capital gains are normally made in December of each year. At a minimum, the Fund will effect a distribution on the last business day of the year. Distributions from the Fund will be automatically reinvested in Units of the Fund." Currently net income is distributed on a quarterly basis and net capital gains during the month of December.
[5]The financial highlights are not intended to act as a continuity of the opening and closing net assets per unit.

Ratios and Supplemental Data – Series A						
	Interim (June 2019)	2018	2017	2016	2015	2014
Total net asset value ($) (000s)	$830.00	$830.00	$996.00	$1,196.00	$1,264.00	$1,223.00
Number of units outstanding	55,596	59,101	62,076	76,113	86,144	84,554
Management expense ratio (%)[1]	2.08%	2.08%	2.03%	2.03%	2.10%	2.10%
Management expense ratio before absorptions (%)[1]	2.28%	2.08%	2.03%	2.31%	2.50%	2.50%
Portfolio turnover rate (%)[2]	16.13%	44.17%	27.08%	31.56%	33.99%	57.09%
Trading expense ratio (%)[3]	0.03%	0.04%	0.04%	0.05%	0.03%	0.05%
Net asset value per unit	$14.92	$14.04	$16.04	$15.71	$14.67	$14.47

Ratios and Supplemental Data – Series F (Series F units established Dec 8, 2017)						
	Interim (June 2019)	2018	2017	2015	2014	2013
Total net asset value ($) (000s)	$50,773.00	$51,199.00	$57,877.00			
Number of units outstanding	3,255,569	3,487,069	3,442,518			
Management expense ratio (%)[1]	0.38%	0.39%	0.01%			
Management expense ratio before absorptions (%)[1]	0.58%	0.39%	0.01%			
Portfolio turnover rate (%)[2]	16.13%	44.17%	27.08%			
Trading expense ratio (%)[3]	0.03%	0.04%	0.04%			
Net asset value per unit	$15.60	$14.68	$16.81			

Ratios and Supplemental Data – Series O						
	Interim (June 2019)	2018	2017	2016	2015	2014
Total net asset value ($) (000s)	$26,177.00	$24,099.00	$34,315.00	$93,483.00	$45,617.00	$41,232.00
Number of units outstanding	1,633,058	1,596,683	2,026,372	5,644,495	2,954,688	2,713,148
Management expense ratio (%)[1]	0.10%	0.10%	0.06%	0.06%	0.12%	0.13%
Management expense ratio before absorptions (%)[1]	0.30%	0.10%	0.06%	0.32%	0.51%	0.52%
Portfolio turnover rate (%)[2]	16.13%	44.14%	27.08%	31.56%	33.99%	57.09%
Trading expense ratio (%)[3]	0.03%	0.04%	0.04%	0.05%	0.03%	0.05%
Net asset value per unit	$16.03	$15.09	$16.93	$16.56	$15.44	$15.20

[1] Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. It assumes the maximum management fee allowed for in the Fund's Simplified Prospectus.
[2] The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
[3] The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Management Fees & Dealer Compensation

Series A

Lincluden is entitled to an annual management fee from the series A units of the Fund of 1.75%. A lower fee of 1.25% may apply to larger account balances in the form of a management fee rebate. The management fee for the series A units of the Fund is based on the average daily net asset value of the series A units of the Fund and is payable monthly, in arrears.
To assist with distribution, administration and other client services, Lincluden pays dealers a trailer fee out of the management fees received. The trailer fee is a percentage of the total NAV per unit of all Class A and Class O units held by each dealer's clients. For the six months ended June 30, 2019, approximately 13.71% of the management fees paid to us were used to fund commissions to dealers.

Series F

Lincluden is entitled to an annual management fee from the series F units of the Fund of 0.25%. The management fee for the series F units of the Fund is based on the average daily net asset value of the series F units of the Fund and is payable monthly, in arrears.

Series F units are available only to investors who participate in a qualifying fee-based program with pre-qualified representatives. Minimum investments may apply. Lincluden does not pay trailer fees on Series F.

Series O

The Fund pays no management fees to Lincluden. For management services provided by Lincluden, in its role of portfolio advisor to the Fund, the Fund's Series O investors will pay a management fee directly to Lincluden.

The maximum annual management fee before GST/HST (expressed as a percentage of assets under management by Lincluden) payable to Lincluden is 1.75%. A lower fee may apply to larger account balances.

The management fee payable is calculated and accrued on the last valuation date of each month, based on the value of the investor's units on that date, and is payable on the last valuation date in each month. Payment of the investment management fee is generally effected by redemption of units held by the investor in the Fund in the amount of the applicable management fee.

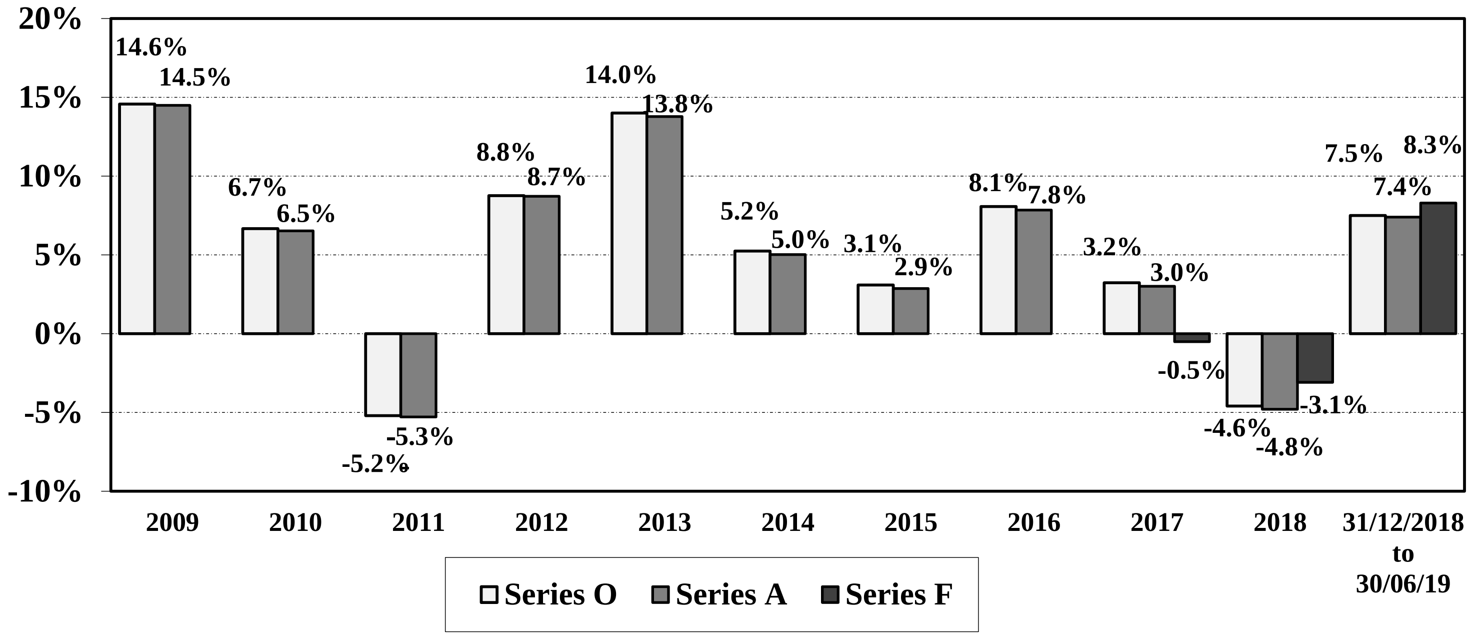
PAST PERFORMANCE

The performance information shown below assumes that all distributions made by the Fund were reinvested in additional units of the Fund. It does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. The returns are presented net of the maximum management fee that may be charged to an investor.

The return on mutual funds is not guaranteed. How the Fund performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the periods shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment in the Fund held on the last day of the prior period would have grown or decreased by the last day of each period.



SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2019

Sector Mix	% of Fund's Net Asset Value		
Fixed Income	38.30%		
Canadian		38.30%	
Federal			4.30%
Provincial			15.00%
Municipal			0.10%
Corporate			18.90%
Equities	59.50%		
Canadian		29.70%	
Capital Goods			0.80%
Consumer			2.00%
Energy			5.70%
Financials			10.80%
Industrials			2.30%
Info Tech			3.70%
Materials			2.20%
Telecom. Services			0.70%
Transportation			1.50%
United States		15.60%	
Consumer			2.70%
Energy			2.00%
Financials			3.80%
Health Care			1.90%
Industrials			0.60%
Info Tech			3.10%
Materials			0.90%
Telecom. Services			0.60%
International		14.20%	

Austria		0.50%
France		2.70%
Germany		2.40%
Hong Kong		0.40%
Japan		0.60%
Netherlands		2.00%
Switzerland		1.40%
United Kingdom		3.10%
Short-Term Investments	1.40%	
Other Net Assets	0.80	
	100.00%	

Top 25 Positions	% of Fund's Net Asset Value
Province of Ontario, 3.150%, 2022/06/02	5.2%
Toronto-Dominion Bank (The)	2.3%
Royal Bank of Canada	2.2%
Canada Housing Trust No. 1, Variable Rate, 2.157%, 2021/09/15	2.1%
Bank of Nova Scotia	1.9%
Province of Quebec, 2.750%, 2025/09/01	1.8%
Cenovus Energy Inc.	1.7%
Province of Alberta, 2.350%, 2025/06/01	1.6%
Toronto-Dominion Bank (The), 2.045%, 2021/03/08	1.6%
Province of Ontario, 2.400%, 2026/06/02	1.5%
Canadian National Railway Co.	1.5%
Government of Canada Treasury Bill, 1.670%, 2019/08/22	1.4%
Canadian Imperial Bank of Commerce	1.3%
CGI Inc.	1.3%
Province of Quebec, 4.250%, 2021/12/01	1.2%
Computer Modelling Group Ltd.	1.2%
Dollarama Inc.	1.2%
Bird Construction Inc.	1.2%
Province of British Columbia, 3.250%, 2021/12/18	1.2%
Constellation Software Inc.	1.1%
Husky Energy Inc.	1.1%
Stella-Jones Inc.	1.1%
Richelieu Hardware Ltd.	1.0%
Canadian Natural Resources Ltd.	1.0%
National Bank of Canada, 1.809%, 2021/07/26	1.0%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates on the Fund’s holdings may be obtained free of charge by calling us at 905-273-4240 (1-844-373-4240), or by writing us at Lincluden Investment Management Limited, 201 City Centre Drive, Suite 201, Mississauga, Ontario, L5B 2T4, or by visiting our website at www.lincluden.com or SEDAR at www.sedar.com.