

Financial Statements



# Lincluden Balanced Fund

Periods ended June 30, 2023 and 2022 (Unaudited)

## Statements of Financial Position

As at	June 30, 2023	December 31, 2022
	\$	\$
<b>ASSETS</b>		
Non-derivative financial assets <i>[note 8]</i>	79,633,689	75,368,166
Cash	718,328	1,370,240
Interest receivable	141,236	128,519
Dividends receivable	197,558	216,624
Prepaid expenses	12,682	13,105
<b>Total assets</b>	<b>80,703,493</b>	<b>77,096,654</b>
<b>LIABILITIES</b>		
Redemptions payable	331,627	-
Accrued management fees	12,705	12,766
Other accrued expenses	19,130	19,768
Distributions payable to holders of redeemable units	5,154	-
<b>Total liabilities</b>	<b>368,616</b>	<b>32,534</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>80,334,877</b>	<b>77,064,120</b>
<b>Net assets attributable to holders of redeemable units per class</b>		
Series A	526,199	531,402
Series O	27,801,101	28,030,870
Series F	52,007,577	48,501,848
<b>Units outstanding by Series <i>[note 5]</i></b>		
Series A	31,537	32,531
Series O	1,705,263	1,754,611
Series F	3,182,051	3,028,488
<b>Net assets attributable to holders of redeemable units per unit <i>[note 3]</i></b>		
Series A	16.69	16.34
Series O	16.30	15.98
Series F	16.34	16.02

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

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



Paula Darling  
Vice President



Philip R. Evans  
President

## Statements of Comprehensive Income (Loss)

For the periods ended June 30	2023	2022
	\$	\$
<b>INCOME</b>		
Interest for distribution purposes	381,200	389,976
Dividend income	797,784	704,768
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on investments	1,646,052	2,532,297
Net realized gain (loss) on derivatives	(5,169)	-
Net foreign exchange gain (loss) on cash	16,171	(27,045)
Net other gain (loss)	(2,702)	50,822
Change in unrealized on foreign exchange gain (loss) on cash	14,046	(40,134)
Change in unrealized appreciation (depreciation) of investments and derivatives	(5,498)	(8,844,170)
	<b>2,841,884</b>	<b>(5,233,486)</b>
<b>EXPENSES [note 6]</b>		
Management fees	67,737	68,923
Audit fees	11,691	17,356
Operating fees	37,213	-
Custodial and administrative fees	10,853	12,397
Independent review committee fees	17,500	17,356
Recordkeeping and accounting	35,626	57,028
Commissions and other portfolio transaction costs	14,840	12,169
Withholding expenses	68,817	78,409
Harmonized sales tax	41,294	20,242
Other expenses	2,419	3,045
	<b>307,990</b>	<b>286,925</b>
Expenses waived or absorbed by manager [note 6]	(106,468)	(76,516)
	<b>201,522</b>	<b>210,409</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>2,640,362</b>	<b>(5,443,895)</b>
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per class</b>		
Series A	13,499	(42,126)
Series O	977,700	(1,939,468)
Series F	1,649,163	(3,462,301)
<b>Increase (Decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	0.42	(1.32)
Series O	0.58	(1.13)
Series F	0.53	(1.15)

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	2023 \$	2022 \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>	<b>531,402</b>	579,030
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>13,499</b>	(42,126)
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(2,025)	(1,328)
<b>Total distributions to holders of redeemable units</b>	<b>(2,025)</b>	(1,328)
<b>Redeemable unit transactions [note 5]</b>		
Amount received from reinvestment of distributions	2,025	1,328
Amount paid on redemptions of units	(18,702)	(12,727)
<b>Net decrease from redeemable unit transactions</b>	<b>(16,677)</b>	(11,399)
<b>Net decrease in net assets attributable to holders of redeemable units</b>	<b>(5,203)</b>	(54,853)
<b>Net assets attributable to holders of redeemable units at end of period</b>	<b>526,199</b>	524,177

Series O	2023 \$	2022 \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>	<b>28,030,870</b>	30,460,553
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>977,700</b>	(1,939,468)
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(403,208)	(384,079)
<b>Total distributions to holders of redeemable units</b>	<b>(403,208)</b>	(384,079)
<b>Redeemable unit transactions [note 5]</b>		
Amount received from the issuance of units	238,360	13,109
Amount received from reinvestment of distributions	393,446	374,764
Amount paid on redemptions of units	(1,436,067)	(768,183)
<b>Net decrease from redeemable unit transactions</b>	<b>(804,261)</b>	(380,310)
<b>Net decrease in net assets attributable to holders of redeemable units</b>	<b>(229,769)</b>	(2,703,857)
<b>Net assets attributable to holders of redeemable units at end of period</b>	<b>27,801,101</b>	27,756,696

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

Series F	2023 \$	2022 \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>	<b>48,501,848</b>	53,621,939
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>	<b>1,649,163</b>	(3,462,301)
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(668,438)	(592,377)
<b>Total distributions to holders of redeemable units</b>	<b>(668,438)</b>	(592,377)
<b>Redeemable unit transactions <i>[note 5]</i></b>		
Amount received from the issuance of units	4,321,200	476,078
Amount received from reinvestment of distributions	668,438	592,376
Amount paid on redemptions of units	(2,464,634)	(2,560,955)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>2,525,004</b>	(1,492,501)
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>3,505,729</b>	(5,547,179)
<b>Net assets attributable to holders of redeemable units at end of period</b>	<b>52,007,577</b>	48,074,760

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

Lincluden Balanced Fund

## Statements of Cash Flows

For the periods ended June 30

	2023	2022
	\$	\$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	2,640,362	(5,443,895)
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	(14,046)	40,134
Net realized (gain) loss on sale of investments	(1,646,052)	(2,532,297)
Net change in unrealized (appreciation) depreciation of investments and derivatives	5,498	8,844,170
Purchase of investments	(22,511,408)	(20,355,078)
Proceeds from the sale and maturity of investments	19,886,439	23,093,379
Interest receivable	(12,717)	4,655
Dividends receivable	19,066	10,775
Prepaid expenses	423	423
Other liabilities	(699)	(2,199)
	<b>(1,633,134)</b>	<b>3,660,067</b>
<b>Financing activities</b>		
Amount received from the issuance of units	4,559,560	488,937
Amount paid on redemptions of units	(3,587,776)	(3,523,147)
Distributions paid to unitholders	(4,608)	(54,564)
	<b>967,176</b>	<b>(3,088,774)</b>
<b>Change in unrealized on foreign exchange gain (loss) on cash</b>	<b>14,046</b>	<b>(40,134)</b>
<b>Increase (decrease) in cash during the period</b>	<b>(651,912)</b>	<b>531,159</b>
<b>Cash at beginning of period</b>	<b>1,370,240</b>	<b>431,545</b>
<b>Cash at end of period</b>	<b>718,328</b>	<b>962,704</b>
Interest received	368,483	394,631
Dividends received, net of withholding taxes	748,033	637,134

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

# SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023

	Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
<b>COMMON SHARES — 57.40%</b>			
<b>CANADIAN EQUITIES — 29.00%</b>			
<b>Communications Services — 1.80%</b>			
BCE Inc.	14,802	983,157	894,041
Rogers Communications Inc., Class 'B'	8,847	524,496	534,713
		1,507,653	1,428,754
<b>Consumer Discretionary — 3.30%</b>			
Boyd Group Services Inc.	2,627	381,931	663,974
Canadian Tire Corp. Ltd., Class 'A'	2,617	402,373	473,991
Magna International Inc.	9,572	674,290	715,890
Martinrea International Inc.	2,565	23,809	33,986
MTY Food Group Inc.	676	24,919	40,959
Restaurant Brands International Inc.	7,105	465,233	729,755
		1,972,555	2,658,555
<b>Consumer Staples — 3.00%</b>			
Alimentation Couche-Tard Inc.	11,293	475,515	767,133
Empire Co. Ltd., Class 'A'	23,198	847,103	872,941
Premium Brands Holdings Corp.	7,425	681,709	776,135
		2,004,327	2,416,209
<b>Energy — 4.30%</b>			
Canadian Natural Resources Ltd.	8,664	690,304	645,295
Pembina Pipeline Corp.	16,596	686,411	691,224
Peyto Exploration & Development Corp.	3,527	36,910	38,656
Suncor Energy Inc.	16,623	420,085	645,970
TC Energy Corp.	16,519	967,782	884,427
Vermilion Energy Inc.	32,362	804,840	534,620
Whitecap Resources Inc.	4,175	38,852	38,702
		3,645,184	3,478,894
<b>Financial Services — 9.20%</b>			
Bank of Nova Scotia	14,533	1,059,273	963,247
Brookfield Asset Management Ltd., Class 'A'	6,394	288,073	276,477
Brookfield Asset Management Reinsurance Partners Ltd., Class 'A'	841	51,019	37,694
Brookfield Corp., Class 'A'	19,754	988,060	881,028
Canadian Imperial Bank of Commerce	13,804	845,162	780,754
Canadian Western Bank	1,718	43,654	42,469
Intact Financial Corp.	2,416	423,902	494,169
InterRent REIT	3,529	42,824	45,242
Laurentian Bank of Canada	820	36,965	27,109
MCAN Mortgage Corp.	1,061	18,336	16,297
Onex Corp.	505	37,583	36,951
Royal Bank of Canada	12,380	1,126,800	1,566,318
Toronto-Dominion Bank (The)	19,320	1,216,334	1,586,365
Tricon Residential Inc.	57,030	764,447	666,110
		6,942,432	7,420,230
<b>Health Care — 0.10%</b>			
Neighbourly Pharmacy Inc.	1,780	36,920	28,480
Savaria Corp.	2,077	30,881	35,101
		67,801	63,581
<b>Industrials — 2.90%</b>			
Badger Infrastructure Solutions Ltd.	1,837	52,676	49,415
Canadian National Railway Co.	7,844	766,245	1,258,334
Finning International Inc.	1,033	22,670	42,095

# SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023

	Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Hammond Power Solutions Inc.	759	10,710	37,275
Parkit Enterprise Inc.	23,660	27,212	19,401
Richelieu Hardware Ltd.	938	26,942	39,302
WSP Global Inc.	5,082	723,495	889,452
		1,629,950	2,335,274
<b>Information Technology — 2.70%</b>			
Calian Group Ltd.	685	24,037	42,148
CGI Inc.	5,166	360,262	721,690
Computer Modelling Group Ltd.	67,428	480,246	449,071
Constellation Software Inc.	296	410,361	812,449
Enghouse Systems Ltd.	1,230	50,940	39,594
Evertz Technologies Ltd.	3,603	43,748	49,541
Information Services Corp., Class 'A'	1,390	40,952	29,454
Lumine Group Inc.	1,561	23,652	28,363
		1,434,198	2,172,310
<b>Materials — 1.70%</b>			
AirBoss of America Corp.	4,125	29,513	28,256
Artemis Gold Inc.	2,309	11,487	10,991
Aya Gold & Silver Inc.	1,413	11,726	11,996
CCL Industries Inc., Class 'B'	10,746	604,439	699,779
K92 Mining Inc.	1,913	14,352	11,000
Major Drilling Group International Inc.	64,340	683,716	588,068
Wesdome Gold Mines Ltd.	1,863	11,735	12,855
		1,366,968	1,362,945
<b>TOTAL CANADIAN EQUITIES</b>		20,571,068	23,336,752
<b>UNITED STATES EQUITIES — 18.60%</b>			
<b>Communications Services — 2.50%</b>			
Alphabet Inc., Class 'A'	5,264	567,563	834,726
Verizon Communications Inc.	13,390	783,522	659,691
Walt Disney Co. (The)	4,389	615,254	519,103
		1,966,339	2,013,520
<b>Consumer Discretionary — 2.70%</b>			
Dollar Tree Inc.	1,792	211,998	340,662
Gentex Corp.	12,397	458,816	480,535
Home Depot Inc. (The)	1,189	456,645	489,298
TJX Cos. Inc. (The)	5,001	369,798	561,740
Tractor Supply Co.	1,019	111,151	298,467
		1,608,408	2,170,702
<b>Consumer Staples — 3.40%</b>			
Costco Wholesale Corp.	535	348,884	381,572
Dollar General Corp.	2,764	589,915	621,668
Kroger Co. (The)	9,194	323,970	572,449
Walgreens Boots Alliance Inc.	9,372	704,743	353,719
Walmart Inc.	3,836	535,260	798,748
		2,502,772	2,728,156
<b>Energy — 0.70%</b>			
EOG Resources Inc.	3,451	472,993	523,187
		472,993	523,187
<b>Financial Services — 3.30%</b>			
Bank of America Corp.	10,253	272,504	389,687
Citigroup Inc.	5,009	385,996	305,506



# SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023

	Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Federal Realty Investment Trust	3,737	660,103	479,069
Flagship Communities REIT	1,541	34,647	33,173
Morgan Stanley	4,288	167,538	485,117
U.S. Bancorp	21,992	1,256,436	962,584
		2,777,224	2,655,136
<b>Health Care — 2.80%</b>			
Centene Corp.	7,810	576,190	697,858
Johnson & Johnson	2,683	441,295	588,309
Pfizer Inc.	13,796	574,335	670,373
UnitedHealth Group Inc.	425	267,460	270,609
		1,859,280	2,227,149
<b>Information Technology — 3.20%</b>			
Cisco Systems Inc.	6,666	308,382	456,905
Corning Inc.	8,186	263,189	379,988
Microsoft Corp.	1,614	225,683	728,124
Oracle Corp.	6,491	434,636	1,024,049
		1,231,890	2,589,066
<b>TOTAL UNITED STATES EQUITIES</b>		12,418,906	14,906,916
<b>INTERNATIONAL EQUITIES — 9.80%</b>			
<b>Bermuda — 0.00%</b>			
Brookfield Reinsurance Ltd.	115	4,983	5,158
		4,983	5,158
<b>Finland — 0.50%</b>			
Nordea Bank ABP	26,437	325,749	380,865
		325,749	380,865
<b>France — 4.10%</b>			
AXA SA, ADR	7,767	242,118	304,564
Compagnie Generale des Etablissements Michelin	11,279	466,925	441,201
Orange SA, ADR	39,654	716,943	611,468
Sanofi SA, ADR	7,279	412,775	519,750
Thales SA	3,829	454,898	759,413
TotalEnergies SE, ADR	3,805	239,296	290,544
Vinci SA	2,455	204,581	377,529
		2,737,536	3,304,469
<b>Germany — 1.70%</b>			
SAP SE	4,758	691,032	860,714
Siemens AG, ADR	4,316	345,716	476,907
		1,036,748	1,337,621
<b>Italy — 0.50%</b>			
Prysmian SPA	6,970	214,129	385,694
		214,129	385,694
<b>Netherlands — 0.50%</b>			
ING Groep NV, ADR	25,367	339,670	452,659
		339,670	452,659
<b>United Kingdom — 2.50%</b>			
GSK PLC, ADR	9,175	579,351	433,189
Haleon PLC, ADR	33,842	285,919	375,694
Reckitt Benckiser Group PLC	5,503	578,585	547,358
Shell PLC, ADR	3,531	222,561	282,439

# SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023

	Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Vodafone Group PLC, ADR	27,624	702,378	345,822
		2,368,794	1,984,502
<b>TOTAL INTERNATIONAL EQUITIES</b>		7,027,609	7,850,968
<b>TOTAL EQUITIES</b>		40,017,583	46,094,636
<b>BONDS — 40.80%</b>			
<b>Government of Canada — 13.60%</b>			
Canada Housing Trust No. 1, Floating Rate, 5.260%, 15/09/24	700,000	703,500	703,017
Government of Canada, 2.000%, 01/06/28	880,000	827,080	820,336
Government of Canada, 1.250%, 01/06/30	435,000	458,658	378,310
Government of Canada, 0.500%, 01/12/30	5,315,000	4,422,586	4,324,601
Government of Canada, 2.500%, 01/12/32	5,000,000	4,744,270	4,685,185
		11,156,094	10,911,449
<b>Provincial Government — 13.50%</b>			
OMERS Finance Trust, 1.550%, 21/04/27	190,000	189,812	171,770
Province of Alberta, 2.350%, 01/06/25	1,210,000	1,179,770	1,158,076
Province of British Columbia, 2.200%, 18/06/30	440,000	436,418	393,414
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	306,787
Province of Ontario, 2.400%, 02/06/26	1,235,000	1,271,514	1,167,774
Province of Ontario, 2.600%, 02/06/27	1,695,000	1,773,167	1,600,820
Province of Ontario, 2.700%, 02/06/29	974,942	1,068,432	910,385
Province of Ontario, 2.050%, 02/06/30	1,545,000	1,395,275	1,367,984
Province of Ontario, 3.750%, 02/06/32	425,000	417,690	417,754
Province of Quebec, 2.750%, 01/09/25	1,560,000	1,625,676	1,499,362
Province of Quebec, 2.300%, 01/09/29	1,545,000	1,514,311	1,405,534
Province of Quebec, 1.900%, 01/09/30	560,000	510,266	488,876
		11,705,381	10,888,536
<b>Municipal Government — 0.70%</b>			
City of Toronto, 2.650%, 09/11/29	220,000	239,624	203,034
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	31,980
Greater Toronto Airports Authority, Series '20-1', Callable, 1.540%, 03/05/28	230,000	225,961	201,371
Regional Municipality of York, 1.700%, 27/05/30	130,000	129,869	112,059
		635,740	548,444
<b>Corporate Bonds — 13.00%</b>			
407 International Inc., Callable, 2.430%, 04/05/27	365,000	383,966	338,038
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	124,369
AltaGas Ltd., Callable, 2.157%, 10/06/25	85,000	85,000	79,646
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	57,930
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	165,835
AltaGas Ltd., Callable, 2.075%, 30/05/28	80,000	80,000	69,098
Bank of Montreal, Callable, 2.370%, 03/02/25	775,000	813,374	736,867
Bank of Montreal, Callable, 4.709%, 07/12/27	360,000	363,553	353,060
Bank of Nova Scotia, 3.100%, 02/02/28	630,000	590,776	587,645
Bell Canada, Callable, 2.200%, 29/05/28	30,000	29,963	26,427
Bell Canada, 2.500%, 14/05/30	450,000	448,864	384,342
Canadian Imperial Bank of Commerce, 2.000%, 17/04/25	330,000	329,749	309,983
Canadian Imperial Bank of Commerce, 1.100%, 19/01/26	115,000	115,092	103,405
Canadian Imperial Bank of Commerce, Callable, 5.050%, 07/10/27	450,000	447,930	446,798
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	122,110
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	46,139
CCL Industries Inc., Series '1', Callable, 3.864%, 13/04/28	40,000	40,000	37,465
Choice Properties REIT, Series 'M', Callable, 3.532%, 11/06/29	225,000	227,777	204,874
Enbridge Inc., Callable, 3.950%, 19/11/24	50,000	50,000	48,873
Enbridge Inc., Callable, 2.990%, 03/10/29	55,000	54,962	48,892

# SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023

	Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Enbridge Inc., Callable, 3.100%, 21/09/33	50,000	49,915	41,506
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.625%, 12/04/78	70,000	75,894	67,634
ENMAX Corp., Callable, 3.805%, 05/12/24	75,000	75,000	72,581
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	56,224
Genworth MI Canada Inc., Callable, 2.955%, 01/03/27	75,000	74,999	66,538
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	60,699
Great-West Lifeco Inc., Callable, 2.379%, 14/05/30	150,000	150,000	129,363
Hydro One Inc., Callable, 2.770%, 24/02/26	500,000	526,085	474,025
Inter Pipeline Ltd., Callable, 3.173%, 24/03/25	70,000	67,059	66,985
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	40,000	40,169	37,329
Inter Pipeline Ltd., Callable, 4.232%, 01/06/27	90,000	90,000	85,775
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	56,414
Loblaw Cos. Ltd., Callable, 2.284%, 07/05/30	30,000	30,000	25,521
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.375%, 19/06/81	145,000	145,000	106,691
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	192,652
National Bank of Canada, Variable Rate, Callable, 1.573%, 18/08/26	725,000	724,916	668,059
NAV Canada, Callable, 2.063%, 29/05/30	310,000	279,313	266,972
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'J', Callable, 2.800%, 01/06/27	95,000	94,110	87,831
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	540,000	542,274	511,186
Pembina Pipeline Corp., Series '15', Callable, 3.310%, 01/02/30	50,000	49,962	44,586
Reliance L.P., Callable, 3.836%, 15/03/25	175,000	174,997	168,962
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	109,205
Reliance L.P., Callable, 2.680%, 01/12/27	60,000	59,989	53,126
RioCan REIT, Series 'AD', Callable, 1.974%, 15/06/26	55,000	55,000	49,231
Rogers Communications Inc., Callable, 3.250%, 01/05/29	160,000	170,433	143,859
Royal Bank of Canada, 4.930%, 16/07/25	130,000	159,325	129,368
Royal Bank of Canada, 2.328%, 28/01/27	590,000	591,223	535,266
Royal Bank of Canada, Series '2', Variable Rate, Callable, 4.000%, 24/02/81	200,000	200,000	177,082
Shaw Communications Inc., Callable, 3.300%, 10/12/29	115,000	114,456	102,298
Sun Life Financial Inc., Variable Rate, Callable, 2.580%, 10/05/32	40,000	39,985	36,025
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.600%, 30/06/81	70,000	70,000	52,182
TELUS Corp., Callable, 2.050%, 07/10/30	285,000	270,053	232,076
Toronto-Dominion Bank (The), 2.496%, 02/12/24	595,000	612,836	569,865
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	215,000	214,923	196,311
TransCanada PipeLines Ltd., Callable, 3.800%, 05/04/27	380,000	391,864	361,838
Westcoast Energy Inc., Callable, 3.770%, 08/12/25	15,000	16,132	14,418
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	130,339
		11,393,604	10,471,818
<b>TOTAL BONDS</b>		<b>34,890,819</b>	<b>32,820,247</b>
<b>SHORT-TERM INVESTMENTS — 0.90%</b>			
Government of Canada Treasury Bill, 4.410%, 20/07/23	125,000	123,553	124,716
Government of Canada Treasury Bill, 4.865%, 14/09/23	600,000	592,908	594,090
		716,461	718,806
<b>TRANSACTION COSTS</b>		(29,825)	
<b>TOTAL INVESTMENT PORTFOLIO — 99.10%</b>		<b>75,595,038</b>	<b>79,633,689</b>
<b>OTHER ASSETS, NET OF LIABILITIES — 0.90%</b>			<b>701,188</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%</b>			<b>80,334,877</b>

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

Period Ended June 30, 2023

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### 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.

The administration for the Fund is delegated to CIBC Mellon Trust Company.

### 2. BASIS OF PREPARATION

#### Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the Board of Directors of the Fund Manager on August 25, 2023.

#### 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 ("FVTPL") 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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial Instruments

##### (i) Recognition, measurement and classification

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value, with transaction costs recognized in the statement of comprehensive income (loss). All financial assets and financial liabilities are recognized on the date on which they are originated at fair value, and subsequently measured at amortized cost.

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

- Financial assets at FVTPL: debt securities, equity investments and derivative financial instruments
- Financial assets at amortized cost: all other financial assets
- Financial liabilities classified at FVTPL: 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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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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 (loss) 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.

Net realized gain (loss) on investments and Change in unrealized appreciation (depreciation) of 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

## LINCLUDEN BALANCED FUND

### NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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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) of investments 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, 2022, the Fund has no non-capital losses (December 31, 2021 – nil) and no capital losses carrying forward (December 31, 2021 - 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 18% (December 31, 2022 -15%).

#### Redeemable Units

For each Fund unit sold, the Fund receives an amount equal to the NAV 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 NAV 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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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

## 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, Series F Units, Series I Units and 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



LINCLUDEN BALANCED FUND  
NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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. Net assets attributable to holders of redeemable shares consists of amounts paid for units, unrealized appreciation (depreciation) of investments, undistributed realized net capital gains and income, less amounts paid for redemptions.

Unit transactions for the periods ended June 30, 2023 and June 30, 2022 are as follows:

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Series A</b>	Number of Units	Number of Units
Opening	32,531	32,207
Subscriptions	—	—
Distributions reinvested	121	79
Redemptions	(1,115)	(727)
Closing	31,537	31,559
Average	32,024	31,854

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Series O</b>	Number of Units	Number of Units
Opening	1,754,611	1,733,534
Subscriptions	14,515	753
Distributions reinvested	24,061	22,449
Redemptions	(87,924)	(44,919)
Closing	1,705,263	1,711,817
Average	1,696,279	1,712,093

	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Series F</b>	Number of Units	Number of Units
Opening	3,028,488	3,056,372
Subscriptions	263,044	27,216
Distributions reinvested	40,849	35,539
Redemptions	(150,330)	(150,203)
Closing	3,182,051	2,968,924
Average	3,093,687	3,016,828

## 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, recordkeeping and administrative fees, taxes and servicing costs. The Fund Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the statements

## LINCLUDEN BALANCED FUND

### NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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of comprehensive income (loss) and were \$106,468 for the period ended June 30, 2023 (June 30, 2022 - \$76,516). The Fund Manager may cease to absorb expenses at any time.

Management fees for Series A and Series F are charged directly to the Fund. For Series A, the management fee is 1.75% plus GST/HST. For Series F, the management fee is 0.25% plus GST/HST.

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 Series O management fee is not an expense of the Fund.

#### Independent Review Committee

The total remuneration paid to independent review committee members amounted to \$17,500 for the period ended June 30, 2023 (June 30, 2022 - \$17,356).

#### Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 106,322.73 redeemable units in the Fund as at June 30, 2023 (December 31, 2022 – 104,753.143).

## 7. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the period ended June 30, 2023 amounted to \$14,840 (June 30, 2022 - \$12,169). 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 soft dollar amounts of \$172 (June 30, 2022 – \$181) during the reported period.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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### 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, 2023

	Currency risk exposed holdings	As a % of Net Assets
U.S. Dollar	19,106,374	23.78%
Euro	3,255,485	4.05%
British Pound	639,984	0.80%

#### Currency Risk December 31, 2022

	Currency risk exposed holdings	As a % of Net Assets
U.S. Dollar	19,239,202	24.97%
Euro	3,091,083	4.01%
British Pound	1,959,812	2.54%
Swiss Franc	1,851	0.00%

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

As at June 30, 2023, 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 \$1,150,092 (December 31, 2022 - \$ 1,214,597). 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, 2023:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	-	7,826,359	7,878,288	17,115,600	32,820,247

#### Interest Rate Risk

December 31, 2022:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	24,509	7,379,698	7,618,862	14,706,004	29,729,073

As at June 30, 2023, 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 \$1,721,460 (December 31, 2022 - \$1,500,328).

### 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 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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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, 2023 and December 31, 2022, the Fund invested in debt securities with the following credit characteristics:

### Credit Risk

Bond Ratings	Percentage of Net Assets	
	June 30, 2023	December 31, 2022
AAA	13.72%	10.41%
AA	5.34%	5.67%
A	15.38%	15.86%
BBB	6.29%	6.64%
Below BBB	0.11%	–%
Total	40.84%	38.58%

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, 2023, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,304,732 (December 31, 2022 - \$2,269,478) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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### 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, 2023, securities valued at approximately \$48,156 were transferred from Level 1 to Level 2 (December 31, 2022 – nil). During the period ended June 30, 2023, there were no securities transferred from Level 2 to Level 1 (December 31, 2022 – \$33,596).

The Fund did not have any Level 3 investments as at June 30, 2023 (December 31, 2022 – nil).

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of June 30, 2023 and December 31, 2022:

#### Fair Value Measurement of Financial Instruments As at June 30, 2023

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 46,061,463	\$ 33,173	\$ –	\$ 46,094,636
Bonds	–	32,820,247	–	32,820,247
Short-Term Investments	–	718,806	–	718,806
<b>Total Investments</b>	<b>\$ 46,061,463</b>	<b>\$ 33,572,226</b>	<b>\$ –</b>	<b>\$ 79,633,689</b>

LINCLUDEN BALANCED FUND  
 NOTES TO FINANCIAL STATEMENTS (continued)

Period Ended June 30, 2023

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**Fair Value Measurement of Financial Instruments**  
**As at December 31, 2022**

	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant other unobservable inputs (Level 3)</b>	<b>Total</b>
Equities	\$ 45,389,564	\$ –	\$ –	\$ 45,389,564
Bonds	–	29,729,073	–	29,729,073
Short-Term Investments	–	249,529	–	249,529
<b>Total Investments</b>	<b>\$ 45,389,564</b>	<b>\$ 29,978,602</b>	<b>\$ –</b>	<b>\$ 75,368,166</b>

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

## 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.