

Financial Statements



Lincluden Balanced Fund

Expressed in Canadian dollars

Years ended December 31, 2023 and 2022



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Lincluden Balanced Fund

Opinion

We have audited the financial statements of Lincluden Balanced Fund (the Fund), which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and December 31, 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Management Report of Fund Performance filed with the relevant Canadian Securities Commissions document as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 27, 2024

Lincluden Balanced Fund

Statements of Financial Position

As at	December 31, 2023	December 31, 2022
	\$	\$
ASSETS		
Non-derivative financial assets <i>[note 10]</i>	87,672,146	75,368,166
Cash	386,247	1,370,240
Receivable for investments sold	334,142	-
Subscriptions receivable	5,000	-
Interest receivable	191,271	128,519
Dividends receivable	226,455	216,624
Derivative assets <i>[note 7]</i>	52,758	-
Prepaid expenses	42,242	13,105
Total assets	88,910,261	77,096,654
LIABILITIES		
Redemptions payable	900,000	-
Accrued management fees	14,944	12,766
Other accrued expenses	19,723	19,768
Other liabilities	29,137	-
Total liabilities	963,804	32,534
Net assets attributable to holders of redeemable units	87,946,457	77,064,120
Net assets attributable to holders of redeemable units per class		
Series A	522,745	531,402
Series O	28,919,896	28,030,870
Series F	58,503,816	48,501,848
Units outstanding by Series <i>[note 6]</i>		
Series A	30,109	32,531
Series O	1,706,408	1,754,611
Series F	3,436,740	3,028,488
Net assets attributable to holders of redeemable units per unit <i>[note 4]</i>		
Series A	17.36	16.34
Series O	16.95	15.98
Series F	17.02	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

Lincluden Balanced Fund

Statement of Comprehensive Income (Loss)

For the years ended December 31	2023 \$	2022 \$
INCOME		
Interest for distribution purposes	888,563	766,453
Dividend income	1,505,127	1,448,606
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on investments	1,382,585	3,906,712
Net realized gain (loss) on derivatives	(5,192)	-
Net foreign exchange gain (loss) on cash	20,746	12,863
Net other gain (loss)	(8,952)	73,148
Change in unrealized on foreign exchange gain (loss) on cash	10,937	(12,609)
Change in unrealized appreciation (depreciation) of investments and derivatives	4,062,415	(7,605,080)
	7,856,229	(1,409,907)
EXPENSES <i>[note 8]</i>		
Management fees	141,935	134,964
Audit fees	53,478	41,555
Operating fees	49,395	41,312
Custodial and administrative fees	22,208	18,388
Independent review committee fees	35,000	35,000
Recordkeeping and accounting	75,704	72,180
Commissions and other portfolio transaction costs	20,850	23,663
Withholding expenses	131,913	110,785
Harmonized sales tax	44,554	44,642
Other expenses	2,560	5,660
	577,597	528,149
Expenses waived or absorbed by manager <i>[note 8]</i>	(183,437)	(157,081)
	394,160	371,068
Increase (Decrease) in net assets attributable to holders of redeemable units	7,462,069	(1,780,975)
Increase (Decrease) in net assets attributable to holders of redeemable units per class		
Series A	37,423	(21,845)
Series O	2,576,686	(595,470)
Series F	4,847,960	(1,163,660)
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Series A	1.19	(0.69)
Series O	1.52	(0.35)
Series F	1.50	(0.39)

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

Lincluden Balanced Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the years ended December 31

Series A	2023 \$	2022 \$
Net assets attributable to holders of redeemable units at beginning of year	531,402	579,030
Increase (Decrease) in net assets attributable to holders of redeemable units	37,423	(21,845)
Distributions paid or payable to holders of redeemable units		
From net investment income	(3,307)	(2,972)
From net realized capital gains	(2,329)	(26,766)
Total distributions to holders of redeemable units	(5,636)	(29,738)
Redeemable unit transactions [note 6]		
Amount received from the issuance of units	106	-
Amount received from reinvestment of distributions	5,636	29,738
Amount paid on redemptions of units	(46,186)	(25,783)
Net increase (decrease) from redeemable unit transactions	(40,444)	3,955
Net decrease in net assets attributable to holders of redeemable units	(8,657)	(47,628)
Net assets attributable to holders of redeemable units at end of year	522,745	531,402

Series O	2023 \$	2022 \$
Net assets attributable to holders of redeemable units at beginning of year	28,030,870	30,460,553
Increase (Decrease) in net assets attributable to holders of redeemable units	2,576,686	(595,470)
Distributions paid or payable to holders of redeemable units		
From net investment income	(730,154)	(724,590)
From net realized capital gains	(177,943)	(1,377,536)
Total distributions to holders of redeemable units	(908,097)	(2,102,126)
Redeemable unit transactions [note 6]		
Amount received from the issuance of units	238,960	13,709
Amount received from reinvestment of distributions	886,169	2,050,347
Amount paid on redemptions of units	(1,904,692)	(1,796,143)
Net increase (decrease) from redeemable unit transactions	(779,563)	267,913
Net increase (decrease) in net assets attributable to holders of redeemable units	889,026	(2,429,683)
Net assets attributable to holders of redeemable units at end of year	28,919,896	28,030,870

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Series F	2023 \$	2022 \$
Net assets attributable to holders of redeemable units at beginning of year	48,501,848	53,621,939
Increase (Decrease) in net assets attributable to holders of redeemable units	4,847,960	(1,163,660)
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,254,744)	(1,123,190)
From net realized capital gains	(234,059)	(2,199,052)
Total distributions to holders of redeemable units	(1,488,803)	(3,322,242)
Redeemable unit transactions [note 6]		
Amount received from the issuance of units	11,650,428	1,995,494
Amount received from reinvestment of distributions	1,466,061	3,322,239
Amount paid on redemptions of units	(6,473,678)	(5,951,922)
Net increase (decrease) from redeemable unit transactions	6,642,811	(634,189)
Net increase (decrease) in net assets attributable to holders of redeemable units	10,001,968	(5,120,091)
Net assets attributable to holders of redeemable units at end of year	58,503,816	48,501,848

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

Lincluden Balanced Fund

Statements of Cash Flows

For the years ended December 31	2023 \$	2022 \$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	7,462,069	(1,780,975)
Adjustments for:		
Change in unrealized foreign exchange (gain) loss on cash	(10,937)	12,609
Net realized (gain) loss on sale of investments	(1,382,585)	(3,906,712)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(4,062,415)	7,605,080
Changes in:		
Purchase of investments	(49,184,959)	(31,743,117)
Proceeds from the sale and maturity of investments	41,986,575	37,097,869
Interest receivable	(62,752)	22,906
Dividends receivable	(9,831)	(35,130)
Prepaid expenses	(29,137)	-
Other liabilities	31,270	(1,032)
	(5,262,702)	7,271,498
Financing activities		
Amount received from the issuance of units	11,884,494	2,009,203
Amount paid on redemptions of units	(7,524,556)	(7,978,028)
Distributions paid to unitholders	(44,670)	(101,840)
	4,315,268	(6,070,665)
Change in unrealized on foreign exchange gain (loss) on cash	10,937	(12,609)
Increase (decrease) in cash during the year	(936,497)	1,188,224
Cash and cash equivalents at the beginning of the year	1,619,769	431,545
Cash and cash equivalents at the end of the year (a)	683,272	1,619,769
Interest received	825,811	789,359
Dividends received, net of withholding taxes	1,363,383	1,302,691
(a) Cash and cash equivalents consists of:		
Cash	386,247	1,370,240
Short Term Investments with maturity of 3 months or less from date of acquisition	297,025	249,529
Cash and cash equivalents at the end of the year	683,272	1,619,769

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

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
COMMON SHARES — 57.40%			
CANADIAN EQUITIES — 29.50%			
Communications Services — 1.70%			
BCE Inc.	17,814	1,151,573	929,357
Rogers Communications Inc., Class 'B'	9,242	547,823	573,281
		1,699,396	1,502,638
Consumer Discretionary — 3.70%			
Boyd Group Services Inc.	2,700	399,762	751,923
Canadian Tire Corp. Ltd., Class 'A'	2,688	415,425	378,255
Gildan Activewear Inc.	11,103	496,184	486,534
Magna International Inc.	9,999	708,431	782,822
Martinrea International Inc.	2,565	23,809	36,782
MTY Food Group Inc.	565	20,828	31,928
Restaurant Brands International Inc.	7,875	537,047	815,299
		2,601,486	3,283,543
Consumer Staples — 3.00%			
Alimentation Couche-Tard Inc.	10,742	461,744	838,198
Empire Co. Ltd., Class 'A'	24,160	882,125	846,808
Premium Brands Holdings Corp.	9,881	915,218	929,111
		2,259,087	2,614,117
Energy — 4.50%			
Canadian Natural Resources Ltd.	8,064	640,708	700,036
Pembina Pipeline Corp.	17,284	714,450	788,496
Peyto Exploration & Development Corp.	4,335	47,518	52,193
Suncor Energy Inc.	15,331	391,994	650,801
TC Energy Corp.	21,031	1,187,428	1,088,564
Vermilion Energy Inc.	39,403	927,605	629,266
Whitecap Resources Inc.	5,802	54,168	51,464
		3,963,871	3,960,820
Financial Services — 9.00%			
Bank of Nova Scotia	15,499	1,123,314	999,686
Brookfield Asset Management Reinsurance Partners Ltd., Class 'A'	781	47,380	41,393
Brookfield Corp., Class 'A'	20,152	1,006,442	1,071,079
Canadian Imperial Bank of Commerce	14,243	870,516	908,703
Canadian Western Bank	1,291	32,804	39,853
Decisive Dividend Corp.	1,517	12,061	12,090
Intact Financial Corp.	2,472	434,824	503,942
InterRent REIT	3,529	42,183	46,689
MCAN Mortgage Corp.	1,061	18,336	16,859
Onex Corp.	420	31,257	38,863
Royal Bank of Canada	12,380	1,126,800	1,658,920
Toronto-Dominion Bank (The)	20,182	1,289,626	1,727,983
Tricon Residential Inc.	66,807	861,525	805,692
		6,897,068	7,871,752
Health Care — 0.10%			
Neighbourly Pharmacy Inc.	1,964	39,841	32,976
Savaria Corp.	2,613	38,951	39,639
		78,792	72,615

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Industrials — 2.70%			
Badger Infrastructure Solutions Ltd.	1,090	31,256	44,374
Canadian National Railway Co.	8,504	866,912	1,416,341
Finning International Inc.	1,286	31,517	49,280
Hammond Power Solutions Inc.	615	8,678	50,246
Parakit Enterprise Inc.	23,660	27,212	15,142
Richelieu Hardware Ltd.	938	26,942	45,005
WSP Global Inc.	3,858	550,330	716,585
		1,542,847	2,336,973
Information Technology — 2.90%			
Calian Group Ltd.	955	38,224	54,712
CGI Inc.	5,267	374,524	747,651
Computer Modelling Group Ltd.	59,861	427,663	606,392
Constellation Software Inc.	305	435,545	1,002,007
Enghouse Systems Ltd.	1,446	57,436	50,754
Evertz Technologies Ltd.	3,603	43,748	50,190
Information Services Corp., Class 'A'	1,390	40,952	30,830
Lumine Group Inc.	1,561	23,653	46,674
		1,441,745	2,589,210
Materials — 1.90%			
AirBoss of America Corp.	5,489	35,586	26,841
Artemis Gold Inc.	2,042	10,159	12,905
Aya Gold & Silver Inc.	1,310	10,871	12,720
CCL Industries Inc., Class 'B'	12,556	709,736	748,212
Interfor Corp.	1,185	28,645	27,824
K92 Mining Inc.	1,913	14,352	12,454
Major Drilling Group International Inc.	92,474	894,500	851,685
Wesdome Gold Mines Ltd.	1,646	10,368	12,691
		1,714,217	1,705,332
Mutual Fund Corp & Trust — 0.00%			
Olympia Financial Group Inc.	143	12,354	13,728
		12,354	13,728
TOTAL CANADIAN EQUITIES		22,210,863	25,950,728
UNITED STATES EQUITIES — 18.20%			
Communications Services — 2.50%			
Alphabet Inc., Class 'A'	5,057	557,562	936,032
Verizon Communications Inc.	14,237	819,537	711,200
Walt Disney Co. (The)	4,423	619,103	529,162
		1,996,202	2,176,394
Consumer Discretionary — 2.20%			
Gentex Corp.	12,972	482,251	561,378
Home Depot Inc. (The)	1,244	479,591	571,240
TJX Cos. Inc. (The)	4,077	303,625	506,783
Tractor Supply Co.	1,031	114,505	293,758
		1,379,972	1,933,159
Consumer Staples — 3.20%			
Costco Wholesale Corp.	446	293,179	390,089
Dollar General Corp.	3,811	746,992	686,516
Kroger Co. (The)	9,325	331,945	564,797

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Walgreens Boots Alliance Inc.	9,505	709,927	328,845
Walmart Inc.	3,891	546,457	812,807
		2,628,500	2,783,054
Energy — 0.70%			
EOG Resources Inc.	3,604	497,735	577,594
		497,735	577,594
Financial Services — 4.10%			
Bank of America Corp.	14,493	463,326	646,597
Citigroup Inc.	5,082	390,518	346,392
Federal Realty Investment Trust	3,838	673,546	524,065
Flagship Communities REIT	1,541	33,671	32,568
JPMorgan Chase & Co.	2,438	500,257	549,503
Morgan Stanley	4,348	174,805	537,243
U.S. Bancorp	17,625	1,000,865	1,010,762
		3,236,988	3,647,130
Health Care — 2.60%			
Centene Corp.	7,921	585,889	778,887
Johnson & Johnson	2,722	449,466	565,328
Pfizer Inc.	17,717	748,219	675,871
UnitedHealth Group Inc.	435	274,045	303,456
		2,057,619	2,323,542
Information Technology — 2.90%			
Cisco Systems Inc.	6,762	314,862	452,659
Corning Inc.	8,304	268,418	335,048
Microsoft Corp.	1,626	231,365	810,190
Oracle Corp.	6,666	462,475	931,240
		1,277,120	2,529,137
TOTAL UNITED STATES EQUITIES		13,074,136	15,970,010
INTERNATIONAL EQUITIES — 9.70%			
Bermuda — 0.00%			
Brookfield Reinsurance Ltd.	115	4,983	6,152
		4,983	6,152
Finland — 0.50%			
Nordea Bank ABP	26,816	331,517	440,353
		331,517	440,353
France — 4.10%			
AXA SA, ADR	7,879	246,547	341,234
Compagnie Generale des Etablissements Michelin	11,802	488,646	560,384
Orange SA, ADR	40,225	725,750	609,220
Sanofi SA, ADR	8,535	493,179	562,412
Thales SA	3,881	465,583	760,445
TotalEnergies SE, ADR	3,859	243,424	344,539
Vinci SA	2,488	209,818	413,802
		2,872,947	3,592,036
Germany — 1.50%			
SAP SE	3,709	539,971	756,746
Siemens AG, ADR	4,508	367,088	558,745

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
		907,059	1,315,491
Italy — 0.50%			
Prysmian SPA	7,071	219,690	425,837
		219,690	425,837
Netherlands — 0.60%			
ING Groep NV, ADR	25,732	346,711	512,125
		346,711	512,125
United Kingdom — 2.50%			
Diageo PLC, ADR	2,667	553,425	514,749
GSK PLC, ADR	9,303	585,221	456,836
Reckitt Benckiser Group PLC	7,056	722,824	645,923
Shell PLC, ADR	3,583	226,742	312,396
Vodafone Group PLC, ADR	28,018	707,250	322,990
		2,795,462	2,252,894
TOTAL INTERNATIONAL EQUITIES		7,478,369	8,544,888
TOTAL EQUITIES		42,763,368	50,465,626
BONDS — 41.70%			
Government of Canada — 11.40%			
Canada Housing Trust No. 1, Floating Rate, 5.418%, 15/09/24	2,300,000	2,307,590	2,305,865
Government of Canada, 2.500%, 01/12/32	6,695,000	6,200,525	6,383,214
Government of Canada, 1.750%, 01/12/53	1,800,000	1,223,460	1,352,674
		9,731,575	10,041,753
Provincial Government — 15.10%			
OMERS Finance Trust, 1.550%, 21/04/27	190,000	189,812	176,929
Province of Alberta, 2.350%, 01/06/25	110,000	107,252	107,123
Province of British Columbia, 2.200%, 18/06/30	440,000	436,418	405,503
Province of British Columbia, 2.950%, 18/06/50	700,000	532,000	582,165
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	312,048
Province of Ontario, 2.600%, 02/06/27	1,695,000	1,773,167	1,639,615
Province of Ontario, 2.700%, 02/06/29	974,942	1,068,432	936,262
Province of Ontario, 2.050%, 02/06/30	1,545,000	1,395,275	1,411,618
Province of Ontario, 3.750%, 02/06/32	1,110,000	1,060,445	1,113,352
Province of Ontario, 2.650%, 02/12/50	2,200,000	1,575,640	1,724,161
Province of Quebec, 2.300%, 01/09/29	1,545,000	1,514,311	1,450,057
Province of Quebec, 1.900%, 01/09/30	560,000	510,266	505,240
Province of Quebec, 3.600%, 01/09/33	730,000	659,774	720,910
Province of Quebec, 3.100%, 01/12/51	1,700,000	1,335,350	1,461,003
Province of Saskatchewan, Series 'GC', 4.750%, 01/06/40	700,000	710,241	761,058
		13,191,433	13,307,044
Municipal Government — 1.10%			
Aéroports de Montréal, Series 'R', Callable, 3.030%, 21/04/50	230,000	168,201	183,895
City of Toronto, 2.650%, 09/11/29	220,000	239,624	209,278
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	32,470
Greater Toronto Airports Authority, Callable, 3.260%, 01/06/37	430,000	358,749	384,078
Regional Municipality of York, 1.700%, 27/05/30	130,000	129,869	115,834
		936,729	925,555

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Corporate Bonds — 12.30%			
407 International Inc., Callable, 2.430%, 04/05/27	365,000	383,966	347,970
407 International Inc., 5.960%, 03/12/35	160,000	172,816	182,777
407 International Inc., Callable, 3.830%, 11/05/46	230,000	192,988	209,592
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	128,219
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	59,424
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	170,579
AltaGas Ltd., Callable, 2.075%, 30/05/28	80,000	80,000	72,138
AltaLink L.P., Callable, 5.249%, 22/09/36	160,000	163,618	172,107
Bank of Montreal, Callable, 4.709%, 07/12/27	830,000	813,127	837,128
Bank of Nova Scotia, 3.100%, 02/02/28	630,000	590,776	606,381
Bell Canada, 2.500%, 14/05/30	225,000	224,432	201,236
Bell Canada, Callable, 3.500%, 30/09/50	220,000	154,675	171,085
Canadian Imperial Bank of Commerce, 1.100%, 19/01/26	115,000	115,092	107,495
Canadian Imperial Bank of Commerce, Callable, 5.050%, 07/10/27	450,000	447,930	458,014
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	125,602
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	47,646
CCL Industries Inc., Series 'I', Callable, 3.864%, 13/04/28	40,000	40,000	38,647
Choice Properties REIT, Series 'M', Callable, 3.532%, 11/06/29	225,000	227,777	212,528
CU Inc., 4.543%, 24/10/41	165,000	154,734	165,670
Enbridge Inc., Callable, 2.990%, 03/10/29	55,000	54,962	50,843
Enbridge Inc., Callable, 3.100%, 21/09/33	275,000	231,605	237,805
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.625%, 12/04/78	70,000	75,894	69,048
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	57,782
FortisBC Energy Inc., Callable, 3.375%, 13/04/45	170,000	132,515	143,426
Genworth MI Canada Inc., Callable, 2.955%, 01/03/27	75,000	74,999	68,943
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	62,850
Great-West Lifeco Inc., Callable, 2.379%, 14/05/30	150,000	150,000	135,093
Hydro One Inc., Callable, 2.770%, 24/02/26	500,000	526,085	485,869
Hydro One Inc., 4.390%, 26/09/41	240,000	221,412	236,757
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	40,000	40,169	38,619
Inter Pipeline Ltd., Callable, 4.232%, 01/06/27	90,000	90,000	88,477
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	58,381
Loblaw Cos. Ltd., Callable, 2.284%, 07/05/30	30,000	30,000	26,675
Manulife Financial Corp., Series 'I', Variable Rate, Callable, 3.375%, 19/06/81	145,000	145,000	113,338
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	199,499
National Bank of Canada, Variable Rate, Callable, 1.573%, 18/08/26	275,000	274,968	261,511
NAV Canada, Callable, 2.924%, 29/09/51	160,000	116,043	126,396
01/06/27	95,000	94,110	90,616
10/01/39	270,000	242,916	259,145
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	540,000	542,275	528,279
Pembina Pipeline Corp., Series '15', Callable, 3.310%, 01/02/30	50,000	49,962	46,389
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	112,043
Reliance L.P., Callable, 2.680%, 01/12/27	60,000	59,989	55,098
RioCan REIT, Series 'AD', Callable, 1.974%, 15/06/26	55,000	55,000	51,186
Royal Bank of Canada, 2.328%, 28/01/27	1,180,000	1,121,320	1,112,099
Royal Bank of Canada, Series '2', Variable Rate, Callable, 4.000%, 24/02/81	200,000	200,000	182,628
Shaw Communications Inc., Callable, 3.300%, 10/12/29	115,000	114,456	107,318
Sun Life Financial Inc., Variable Rate, Callable, 2.580%, 10/05/32	40,000	39,985	37,396
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.600%, 30/06/81	70,000	70,000	54,497
TELUS Corp., Callable, 2.050%, 07/10/30	285,000	270,053	244,204
TELUS Corp., Callable, 4.750%, 17/01/45	180,000	154,269	169,192
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	215,000	214,923	204,082
TransCanada PipeLines Ltd., Callable, 3.800%, 05/04/27	380,000	391,864	372,595
TransCanada PipeLines Ltd., Callable, 4.350%, 06/06/46	260,000	206,380	227,189
Westcoast Energy Inc., Callable, 3.770%, 08/12/25	15,000	16,132	14,742
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	131,949
		10,945,903	10,776,197

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2023

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
International — 1.80%			
United States Treasury Bond, 3.625%, 15/02/53	1,310,000	1,528,134	1,610,952
		1,528,134	1,610,952
TOTAL BONDS		36,333,774	36,661,501
SHORT-TERM INVESTMENTS — 0.60%			
Government of Canada Treasury Bill, 5.030%, 29/02/24	250,000	246,668	247,994
Government of Canada Treasury Bill, 5.020%, 14/03/24	300,000	296,292	297,025
		542,960	545,019
TRANSACTION COSTS		(21,476)	
TOTAL INVESTMENT PORTFOLIO — 99.70%		79,618,626	87,672,146
DERIVATIVE ASSETS — 0.10%			52,758
OTHER ASSETS, NET OF LIABILITIES — 0.20%			221,553
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%			87,946,457

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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 IFRS Accounting Standards as issued by the International Accounting Standards Board.

These financial statements were authorized for issue by the Board of Directors of the Fund Manager on March 22, 2024

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. Subscriptions and redemptions in the Fund are made in Canadian dollars.

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Fund adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from January 1 2023. Although the amendments did not result in any changes to the

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant" accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 4 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendment.

4. MATERIAL 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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

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 statement of comprehensive income (loss).

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) Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund derecognises a liability when its contractual obligations are discharged, cancelled or expire.

(iv) 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 and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

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 statement 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

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 statement 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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

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, 2023, the Fund has no non-capital losses (December 31, 2022 – nil) and no capital losses carrying forward (December 31, 2022 - nil).

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in the country of origin. During the year, the average withholding tax rate was 17% (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.

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.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

5. 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. See note 10 for more information on the fair value measurement of the Fund's financial instruments.

6. 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 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.

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

Unit transactions for the years ended December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Series A	Number of Units	Number of Units
Opening	32,531	32,207
Subscriptions	6	–
Distributions reinvested	331	1,818
Redemptions	(2,759)	(1,494)
Closing	30,109	32,531
Average	31,332	31,541

	December 31, 2023	December 31, 2022
Series O	Number of Units	Number of Units
Opening	1,754,611	1,733,534
Subscriptions	14,551	790
Distributions reinvested	53,781	127,305
Redemptions	(116,535)	(107,018)
Closing	1,706,408	1,754,611
Average	1,698,607	1,691,254

	December 31, 2023	December 31, 2022
Series F	Number of Units	Number of Units
Opening	3,028,488	3,056,372
Subscriptions	712,128	120,325
Distributions reinvested	88,788	206,024
Redemptions	(392,664)	(354,233)
Closing	3,436,740	3,028,488
Average	3,236,465	2,973,142

7. FOREIGN EXCHANGE FORWARD CONTRACTS

The Fund may utilize foreign exchange forward contracts in the management of currency risk associated with its investment in non-Canadian dollar denominated securities. The objective is to protect the Fund from the possibility of capital losses on foreign currency denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

Currency risks relate to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward contracts are marked-to-market daily and the resulting unrealized gains or losses are recognized in the statement of net assets attributable to holders of redeemable units.

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

The result of employing foreign exchange forward contracts is that the foreign exchange gains and losses in the securities portfolio move substantially in opposite directions from the gains and losses in the hedging portfolio.

As at December 31, 2023, the Fund held the following foreign exchange forward contracts.

Forward Foreign Currency Contracts

Currency to Deliver	Amount to Deliver	Currency to Purchase	Amount to Purchase	December 31, 2023 market value of purchase (CAD)	Unrealized Gain (Loss) (CAD)	Contract Expiry Date
USD	\$1,085,000	CAD	\$1,489,976	\$1,437,218	\$52,758	Jan-24
Net unrealized gain (loss) on foreign exchange forward contracts					\$52,758	

As at December 31, 2022, The Fund did not hold foreign exchange forward contracts.

Offsetting Arrangements

In the normal course of business, the Fund may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset as at December 31, 2023. The “Net” column displays what the net impact would be on the statement of financial position if all amounts were offset.

**Offsetting Arrangements
As at December 31, 2023**

Financial Assets and Liabilities	Amounts Offset (\$)		Net Amounts	Amounts Not Offset (\$)		Net
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset		Financial Instruments	Cash Collateral Received (Pledged)	
Derivative assets	52,758	–	52,758	–	–	52,758
Derivative liabilities	–	–	–	–	–	–
Total	52,758	–	52,758	–	–	52,758

As at December 31, 2022, the Fund did not hold any derivatives.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

8. 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 statement of comprehensive income (loss) and were \$183,437 for the year ended December 31, 2023 (December 31, 2022 - \$157,081). 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. In 2023, management fees for Series A and F combined total \$141,935 (December 31, 2022 -134,964)

As at December 31, 2023, management fees payable for Series A and F combined is \$14,944 (December 31, 2022- \$12,766).

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 \$35,000 for the year ended December 31, 2023 (December 31, 2022 - \$35,000).

Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 103,467 redeemable units in the Fund as at December 31, 2023 (December 31, 2022 – 104,753).

9. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the year ended December 31, 2023 amounted to \$20,850 (December 31, 2022 - \$23,663). 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,

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

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 \$348 (December 31, 2022 – \$355) during the reported period.

10. 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.

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

**Currency Risk
December 31, 2023**

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	22,518,243	(1,437,218)	21,081,025	23.97%
Euro	3,403,870	—	3,403,870	3.87%
British Pound	653,682	—	653,682	0.74%

**Currency Risk
December 31, 2022**

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

As at December 31, 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 \$1,256,929 (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.

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

Interest Rate Risk
December 31, 2023:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	2,305,865	1,682,008	7,587,457	25,086,171	36,661,501

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 December 31, 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 decreased or increased, respectively, by \$3,097,071 (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.

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

Credit Risk

Bond Ratings	Percentage of Net Assets	
	December 31, 2023	December 31, 2022
AAA	13.38%	10.41%
AA	7.28%	5.67%
A	15.58%	15.86%
BBB	5.45%	6.64%
Total	41.69%	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.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

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 December 31, 2023, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,523,281 (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.

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 Values of Financial Instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques

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.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

- 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).

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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 year ended December 31, 2023, securities valued at approximately \$48,156 were transferred from Level 1 to Level 2 (December 31, 2022 – nil). During the year ended December 31, 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 December 31, 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 December 31, 2023 and December 31, 2022:

Fair Value Hierarchy

As at December 31, 2023

	(Level 1)	(Level 2)	(Level 3)	Total
Equities	\$ 50,406,217	\$ 59,409	\$ –	\$ 50,465,626
Bonds	–	36,661,501	–	36,661,501
Short-Term Investments	–	545,019	–	545,019
Total Investments	\$ 50,406,217	\$ 37,265,929	\$ –	\$ 87,672,146
Derivatives	\$ –	\$ 52,758	\$ –	\$ 52,758
	\$ 50,406,217	\$ 37,318,687	\$ –	\$ 87,724,904

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2023

As at December 31, 2022

	(Level 1)	(Level 2)	(Level 3)	Total
Equities	\$ 45,389,564	\$ –	\$ –	\$ 45,389,564
Bonds	–	29,729,073	–	29,729,073
Short-Term Investments	–	249,529	–	249,529
Total Investments	\$ 45,389,564	\$ 29,978,602	\$ –	\$ 75,368,166

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

11. 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 Statement 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.

12. COMPARATIVE INFORMATION

The presentation of certain disclosures on the statement of cash flows have been reclassified from prior year, as it was determined by management that this would more accurately reflect the presentation of the Funds cash and cash equivalents.