

Financial Statements



# Lincluden Balanced Fund

Expressed in Canadian dollars

Years ended December 31, 2024 and 2023



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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, 2024 and December 31, 2023
- the statements of comprehensive income 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, 2024 and December 31, 2023, 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 included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions 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 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.

### ***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.

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.



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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' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 27, 2025

## Statements of Financial Position

As at	December 31, 2024	December 31, 2023
	\$	\$
<b>ASSETS</b>		
Non-derivative financial assets <i>[note 10]</i>	99,753,526	87,672,146
Cash	829,048	386,247
Receivable for investments sold	-	334,142
Subscriptions receivable	-	5,000
Interest receivable	218,671	191,271
Dividends receivable	216,955	226,455
Derivative assets <i>[note 7]</i>	-	52,758
Prepaid expenses	50,324	42,242
<b>Total assets</b>	<b>101,068,524</b>	<b>88,910,261</b>
<b>LIABILITIES</b>		
Redemptions payable	11,407	900,000
Accrued management fees	34,287	14,944
Other accrued expenses	15,873	19,723
Other liabilities	37,029	29,137
Distributions payable to holders of redeemable units	9,462	-
Derivative liabilities <i>[note 7]</i>	64,875	-
<b>Total liabilities</b>	<b>172,933</b>	<b>963,804</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>100,895,591</b>	<b>87,946,457</b>
<b>Net assets attributable to holders of redeemable units per class</b>		
Series A	10,446,478	522,745
Series O	21,527,715	28,919,896
Series F	68,921,398	58,503,816
<b>Units outstanding by Series <i>[note 6]</i></b>		
Series A	555,121	30,109
Series O	1,166,674	1,706,408
Series F	3,719,083	3,436,740
<b>Net assets attributable to holders of redeemable units per unit <i>[note 4]</i></b>		
Series A	18.82	17.36
Series O	18.45	16.95
Series F	18.53	17.02

*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

For the years ended December 31	2024	2023
	\$	\$
<b>INCOME</b>		
Interest for distribution purposes	1,341,111	888,563
Dividend income	1,624,099	1,505,127
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on investments	1,484,025	1,382,585
Net realized gain (loss) on derivatives	(18,043)	(5,192)
Net foreign exchange gain (loss) on cash	3,062	20,746
Net other gain (loss)	16,183	(8,952)
Change in unrealized on foreign exchange gain (loss) on cash	19,970	10,937
Change in unrealized appreciation (depreciation) of investments and derivatives	6,517,896	4,062,415
	<b>10,988,303</b>	<b>7,856,229</b>
<b>EXPENSES [note 8]</b>		
Management fees	190,704	141,935
Audit fees	47,061	53,478
Operating fees	46,171	49,395
Custodial and administrative fees	22,922	22,208
Independent review committee fees	35,000	35,000
Recordkeeping and accounting	84,026	75,704
Commissions and other portfolio transaction costs	17,890	20,850
Withholding expenses	115,155	131,913
Harmonized sales tax	50,814	44,554
Other expenses	-	2,560
	<b>609,743</b>	<b>577,597</b>
Expenses waived or absorbed by manager [note 8]	(189,655)	(183,437)
	<b>420,088</b>	<b>394,160</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>10,568,215</b>	<b>7,462,069</b>
<b>Increase in net assets attributable to holders of redeemable units per class</b>		
Series A	109,676	37,423
Series O	3,433,518	2,576,686
Series F	7,025,021	4,847,960
<b>Increase in net assets attributable to holders of redeemable units per unit</b>		
Series A	1.10	1.19
Series O	2.07	1.52
Series F	1.98	1.50

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 years ended December 31

Series A	2024 \$	2023 \$
<b>Net assets attributable to holders of redeemable units at beginning of year</b>	<b>522,745</b>	<b>531,402</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>109,676</b>	<b>37,423</b>
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(51,404)	(3,307)
From net realized capital gains	-	(2,329)
<b>Total distributions to holders of redeemable units</b>	<b>(51,404)</b>	<b>(5,636)</b>
<b>Redeemable unit transactions [note 6]</b>		
Amount received from the issuance of units	10,220,063	106
Amount received from reinvestment of distributions	46,091	5,636
Amount paid on redemptions of units	(400,693)	(46,186)
<b>Net increase (decrease) from redeemable unit transactions</b>	<b>9,865,461</b>	<b>(40,444)</b>
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>9,923,733</b>	<b>(8,657)</b>
<b>Net assets attributable to holders of redeemable units at end of year</b>	<b>10,446,478</b>	<b>522,745</b>

Series O	2024 \$	2023 \$
<b>Net assets attributable to holders of redeemable units at beginning of year</b>	<b>28,919,896</b>	<b>28,030,870</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>3,433,518</b>	<b>2,576,686</b>
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(833,935)	(730,154)
From net realized capital gains	-	(177,943)
<b>Total distributions to holders of redeemable units</b>	<b>(833,935)</b>	<b>(908,097)</b>
<b>Redeemable unit transactions [note 6]</b>		
Amount received from the issuance of units	1,641,541	238,960
Amount received from reinvestment of distributions	812,862	886,169
Amount paid on redemptions of units	(12,446,167)	(1,904,692)
<b>Net decrease from redeemable unit transactions</b>	<b>(9,991,764)</b>	<b>(779,563)</b>
<b>Net increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(7,392,181)</b>	<b>889,026</b>
<b>Net assets attributable to holders of redeemable units at end of year</b>	<b>21,527,715</b>	<b>28,919,896</b>

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

For the years ended December 31

Series F	2024 \$	2023 \$
<b>Net assets attributable to holders of redeemable units at beginning of year</b>	<b>58,503,816</b>	48,501,848
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>7,025,021</b>	4,847,960
<b>Distributions paid or payable to holders of redeemable units</b>		
From net investment income	(1,687,675)	(1,254,744)
From net realized capital gains	-	(234,059)
<b>Total distributions to holders of redeemable units</b>	<b>(1,687,675)</b>	(1,488,803)
<b>Redeemable unit transactions [note 6]</b>		
Amount received from the issuance of units	10,601,775	11,650,428
Amount received from reinvestment of distributions	1,687,675	1,466,061
Amount paid on redemptions of units	(7,209,214)	(6,473,678)
<b>Net increase from redeemable unit transactions</b>	<b>5,080,236</b>	6,642,811
<b>Net increase in net assets attributable to holders of redeemable units</b>	<b>10,417,582</b>	10,001,968
<b>Net assets attributable to holders of redeemable units at end of year</b>	<b>68,921,398</b>	58,503,816

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



## Statements of Cash Flows

For the years ended December 31	2024 \$	2023 \$
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units	10,568,215	7,462,069
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	(19,970)	(10,937)
Net realized (gain) loss on sale of investments	(1,484,025)	(1,382,585)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(6,517,896)	(4,062,415)
Purchase of investments	(25,115,925)	(49,184,959)
Proceeds from the sale and maturity of investments	22,034,734	41,986,575
Interest receivable	(27,400)	(62,752)
Dividends receivable	9,500	(9,831)
Prepaid expenses	(8,082)	(29,137)
Other liabilities	23,385	31,270
	(537,464)	(5,262,702)
<b>Financing activities</b>		
Amount received from the issuance of units	22,468,379	11,884,494
Amount paid on redemptions of units	(20,944,667)	(7,524,556)
Distributions paid to unitholders	(16,924)	(44,670)
	1,506,788	4,315,268
<b>Change in unrealized on foreign exchange gain on cash</b>	19,970	10,937
<b>Increase (decrease) in cash during the year</b>	989,294	(936,497)
<b>Cash at the beginning of the year</b>	386,247	1,619,769
<b>Short Term Investments with maturity of 3 months or less from date of acquisition at the beginning of the year</b>	297,025	-
<b>Cash and cash equivalents at the end of the year (a)</b>	1,672,566	683,272
Interest received	1,313,711	825,811
Dividends received, net of withholding taxes	1,518,444	1,363,383
<b>(a) Cash and cash equivalents consists of:</b>		
Cash	829,048	386,247
Short Term Investments with maturity of 3 months or less from date of acquisition	843,518	297,025
<b>Cash and cash equivalents at the end of the year</b>	1,672,566	683,272

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

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
<b>COMMON SHARES — 57.50%</b>			
<b>CANADIAN EQUITIES — 28.50%</b>			
<b>Communications Services — 1.20%</b>			
BCE Inc.	21,441	1,287,713	714,414
Rogers Communications Inc., Class 'B'	10,835	629,686	478,799
		1,917,399	1,193,213
<b>Consumer Discretionary — 3.20%</b>			
Boyd Group Services Inc.	4,389	802,860	951,448
Canadian Tire Corp. Ltd., Class 'A'	2,619	404,762	396,045
Doman Building Materials Group Ltd.	3,823	27,793	32,419
Gildan Activewear Inc.	10,216	452,692	691,112
Magna International Inc.	9,741	690,151	585,239
Martinrea International Inc.	1,845	17,126	16,642
Restaurant Brands International Inc.	5,685	387,697	532,628
		2,783,081	3,205,533
<b>Consumer Staples — 2.80%</b>			
Alimentation Couche-Tard Inc.	9,979	450,851	795,526
Empire Co. Ltd., Class 'A'	20,630	753,238	905,451
Premium Brands Holdings Corp.	14,166	1,275,275	1,120,247
		2,479,364	2,821,224
<b>Energy — 4.40%</b>			
Advantage Energy Ltd.	4,734	40,263	46,677
Canadian Natural Resources Ltd.	17,050	680,462	756,679
Gibson Energy Inc.	1,908	41,393	46,708
Pembina Pipeline Corp.	16,460	680,389	874,191
Peyto Exploration & Development Corp.	4,335	47,518	74,302
Suncor Energy Inc.	13,817	411,060	708,950
TC Energy Corp.	18,380	948,695	1,231,276
Vermilion Energy Inc.	45,035	993,043	609,323
Whitecap Resources Inc.	5,005	46,728	51,051
		3,889,551	4,399,157
<b>Financial Services — 7.70%</b>			
Bank of Nova Scotia (The)	13,373	969,228	1,032,262
Brookfield Corp., Class 'A'	16,573	827,697	1,369,261
Brookfield Wealth Solutions Ltd.	793	46,155	65,565
BSR REIT	1,586	27,885	27,631
Canadian Imperial Bank of Commerce	9,088	555,448	826,372
Canadian Western Bank	1,163	30,247	68,326
Decisive Dividend Corp.	4,811	36,169	28,529
Intact Financial Corp.	2,302	404,921	602,503
InterRent REIT	3,529	40,844	35,819
MCAN Mortgage Corp.	1,739	28,778	31,737
Onex Corp.	228	16,968	25,600
Royal Bank of Canada	12,000	1,092,214	2,079,840
Toronto-Dominion Bank (The)	19,659	1,256,206	1,504,503
		5,332,760	7,697,948
<b>Industrials — 4.40%</b>			
Badger Infrastructure Solutions Ltd.	18,648	754,947	669,090
Canadian National Railway Co.	10,856	1,276,238	1,584,651
Finning International Inc.	23,298	892,983	887,421
Hammond Power Solutions Inc.	3,102	291,278	397,211
Richelieu Hardware Ltd.	831	23,868	32,442

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
WSP Global Inc.	3,470	505,786	877,771
		3,745,100	4,448,586
<b>Information Technology — 2.80%</b>			
Calian Group Ltd.	1,113	45,425	53,814
CGI Inc.	6,044	499,017	950,600
Computer Modelling Group Ltd.	64,552	512,455	687,479
Constellation Software Inc.	241	344,152	1,071,223
Enghouse Systems Ltd.	1,530	60,397	41,448
Evertz Technologies Ltd.	2,671	32,638	33,655
Gatekeeper Systems Inc.	28,244	17,906	16,099
Information Services Corp., Class 'A'	1,002	29,521	26,242
		1,541,511	2,880,560
<b>Materials — 2.00%</b>			
AirBoss of America Corp.	5,489	35,586	20,913
Artemis Gold Inc.	2,459	14,527	33,811
Aya Gold & Silver Inc.	2,281	24,119	24,498
CCL Industries Inc., Class 'B'	10,446	590,468	772,482
Interfor Corp.	1,904	41,561	31,968
K92 Mining Inc.	3,310	23,951	28,731
Major Drilling Group International Inc.	125,460	1,153,053	1,030,026
Wesdome Gold Mines Ltd.	2,933	25,223	37,865
		1,908,488	1,980,294
<b>Mutual Fund Corp &amp; Trust — 0.00%</b>			
Olympia Financial Group Inc.	278	26,233	29,941
		26,233	29,941
<b>Utilities — 0.00%</b>			
Innergex Renewable Energy Inc.	2,971	29,897	23,916
Superior Plus Corp.	4,743	30,239	30,308
		60,136	54,224
<b>TOTAL CANADIAN EQUITIES</b>		<b>23,683,623</b>	<b>28,710,680</b>
<b>UNITED STATES EQUITIES — 19.80%</b>			
<b>Communications Services — 3.10%</b>			
Alphabet Inc., Class 'A'	5,057	557,562	1,376,057
Verizon Communications Inc.	14,065	809,636	808,507
Walt Disney Co. (The)	6,064	811,743	970,604
		2,178,941	3,155,168
<b>Consumer Discretionary — 2.50%</b>			
Gentex Corp.	14,666	555,894	605,676
Home Depot Inc. (The)	1,452	575,997	811,891
TJX Cos. Inc. (The)	4,077	303,625	708,005
Tractor Supply Co.	5,095	113,173	388,601
		1,548,689	2,514,173
<b>Consumer Staples — 2.60%</b>			
Costco Wholesale Corp.	431	283,319	567,667
Kroger Co. (The)	11,243	473,503	988,260
Walgreens Boots Alliance Inc.	9,391	701,412	125,947
Walmart Inc.	7,300	341,741	948,077
		1,799,975	2,629,951

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
<b>Energy — 0.60%</b>			
EOG Resources Inc.	3,561	491,796	627,458
		491,796	627,458
<b>Financial Services — 4.80%</b>			
Bank of America Corp.	14,002	447,629	884,589
Citigroup Inc.	5,021	385,830	508,035
Federal Realty Investment Trust	3,792	665,474	610,218
JPMorgan Chase & Co.	2,031	426,295	699,824
Morgan Stanley	5,351	318,655	967,013
U.S. Bancorp	17,028	966,963	1,170,730
		3,210,846	4,840,409
<b>Health Care — 2.70%</b>			
Centene Corp.	7,826	578,862	681,494
Johnson & Johnson	2,690	444,182	559,208
Pfizer Inc.	22,225	926,306	847,563
UnitedHealth Group Inc.	823	531,160	598,443
		2,480,510	2,686,708
<b>Information Technology — 3.50%</b>			
Cisco Systems Inc.	10,331	558,422	879,137
Corning Inc.	6,448	208,425	440,448
Microsoft Corp.	1,755	315,002	1,063,328
Oracle Corp.	4,561	316,434	1,092,527
		1,398,283	3,475,440
<b>TOTAL UNITED STATES EQUITIES</b>		13,109,040	19,929,307
<b>INTERNATIONAL EQUITIES — 9.20%</b>			
<b>Finland — 0.40%</b>			
Nordea Bank ABP	26,492	327,512	414,184
		327,512	414,184
<b>France — 3.80%</b>			
AXA SA, ADR	7,784	243,574	398,109
Compagnie Generale des Etablissements Michelin	12,979	549,708	614,551
Orange SA, ADR	44,742	770,779	632,854
Sanofi SA, ADR	8,535	493,179	591,716
Thales SA	3,834	459,945	791,519
TotalEnergies SE, ADR	3,813	240,522	298,714
Vinci SA	3,541	369,239	525,878
		3,126,946	3,853,341
<b>Germany — 1.80%</b>			
SAP SE	2,419	352,168	851,117
Siemens AG, ADR	6,808	672,570	946,126
		1,024,738	1,797,243
<b>Italy — 0.50%</b>			
Prysmian SPA	6,141	190,795	563,809
		190,795	563,809
<b>Netherlands — 0.60%</b>			
ING Groep NV, ADR	25,420	342,507	572,582
		342,507	572,582

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
<b>Spain — 0.70%</b>			
Amadeus IT Group SA	7,235	684,717	734,704
		684,717	734,704
<b>United Kingdom — 1.40%</b>			
Diageo PLC, ADR	3,345	668,888	611,276
GSK PLC, ADR	9,192	578,238	446,865
Shell PLC, ADR	3,540	224,021	318,799
		1,471,147	1,376,940
<b>TOTAL INTERNATIONAL EQUITIES</b>		7,168,362	9,312,803
<b>TOTAL EQUITIES</b>		43,961,025	57,952,790
<b>BONDS — 39.30%</b>			
<b>Government of Canada — 9.20%</b>			
Canada Housing Trust No. 1, Floating Rate, 3.613%, 15/09/27	875,000	877,625	876,446
Government of Canada, 2.500%, 01/12/32	7,175,000	6,655,765	6,848,418
Government of Canada, 1.750%, 01/12/53	2,130,000	1,454,651	1,510,157
		8,988,041	9,235,021
<b>Provincial Government — 14.90%</b>			
OMERS Finance Trust, 1.550%, 21/04/27	190,000	189,812	183,222
Province of British Columbia, 2.200%, 18/06/30	440,000	436,418	416,200
Province of British Columbia, 2.950%, 18/06/50	700,000	532,000	559,097
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	319,157
Province of Ontario, 2.600%, 02/06/27	1,695,000	1,773,167	1,678,808
Province of Ontario, 2.700%, 02/06/29	974,942	1,068,432	956,372
Province of Ontario, 2.050%, 02/06/30	2,425,000	2,224,983	2,278,487
Province of Ontario, 3.750%, 02/06/32	1,460,000	1,408,310	1,478,725
Province of Ontario, 2.650%, 02/12/50	2,200,000	1,575,640	1,666,206
Province of Ontario, 3.750%, 02/12/53	335,000	305,724	311,133
Province of Quebec, 2.300%, 01/09/29	1,545,000	1,514,311	1,487,156
Province of Quebec, 3.600%, 01/09/33	1,455,000	1,357,591	1,442,674
Province of Quebec, 3.100%, 01/12/51	1,885,000	1,484,615	1,548,008
Province of Saskatchewan, Series 'GC', 4.750%, 01/06/40	700,000	710,241	746,703
		14,904,294	15,071,948
<b>Municipal Government — 0.90%</b>			
Aéroports de Montréal, Series 'R', Callable, 3.030%, 21/04/50	230,000	168,201	179,848
City of Toronto, 2.650%, 09/11/29	220,000	239,624	214,273
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	32,366
Greater Toronto Airports Authority, Callable, 3.260%, 01/06/37	430,000	358,749	385,332
Regional Municipality of York, 1.700%, 27/05/30	130,000	129,869	119,575
		936,729	931,394
<b>Corporate Bonds — 12.80%</b>			
407 International Inc., Callable, 2.430%, 04/05/27	365,000	383,966	359,264
407 International Inc., 5.960%, 03/12/35	160,000	172,816	183,367
407 International Inc., Callable, 3.830%, 11/05/46	230,000	192,988	207,726
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	132,285
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	60,340
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	176,556
AltaGas Ltd., Callable, 2.075%, 30/05/28	80,000	80,000	75,877
AltaLink L.P., Callable, 5.249%, 22/09/36	160,000	163,618	173,137
Bank of Montreal, Callable, 4.709%, 07/12/27	830,000	813,127	855,496
Bank of Nova Scotia (The), 3.100%, 02/02/28	630,000	590,776	624,828
Bank of Nova Scotia (The), Floating Rate, Callable, 3.836%, 26/09/30	230,000	230,000	230,363

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Bank of Nova Scotia (The), Variable Rate, Callable, 4.442%, 15/11/35	90,000	89,996	91,021
Bell Canada, 2.500%, 14/05/30	225,000	224,432	209,086
Bell Canada, Callable, 3.500%, 30/09/50	220,000	154,675	167,404
Canadian Imperial Bank of Commerce, 1.100%, 19/01/26	115,000	115,092	112,561
Canadian Imperial Bank of Commerce, Callable, 5.050%, 07/10/27	450,000	447,930	467,218
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	128,882
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	49,122
CCL Industries Inc., Series '1', Callable, 3.864%, 13/04/28	40,000	40,000	39,986
Choice Properties REIT, Series 'M', Callable, 3.532%, 11/06/29	225,000	227,777	221,509
CU Inc., 4.543%, 24/10/41	165,000	154,734	164,988
Enbridge Inc., Callable, 2.990%, 03/10/29	355,000	335,369	343,588
Enbridge Inc., Callable, 3.100%, 21/09/33	275,000	231,605	252,513
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.625%, 12/04/78	70,000	75,894	73,600
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	59,989
FortisBC Energy Inc., Callable, 3.375%, 13/04/45	170,000	132,515	143,337
Genworth MI Canada Inc., Callable, 2.955%, 01/03/27	75,000	74,999	73,222
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	64,766
Great-West Lifeco Inc., Callable, 2.379%, 14/05/30	150,000	150,000	140,805
Hydro One Inc., Callable, 2.770%, 24/02/26	500,000	526,085	497,309
Hydro One Inc., 4.390%, 26/09/41	305,000	282,491	299,606
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	40,000	40,169	39,905
Inter Pipeline Ltd., Callable, 4.232%, 01/06/27	90,000	90,000	90,786
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	60,309
Loblaw Cos. Ltd., Callable, 2.284%, 07/05/30	30,000	30,000	27,979
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.375%, 19/06/81	145,000	145,000	132,471
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	204,572
National Bank of Canada, Variable Rate, Callable, 1.573%, 18/08/26	275,000	274,968	271,882
NAV Canada, Callable, 2.924%, 29/09/51	160,000	116,043	123,029
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'J', Callable, 2.800%, 01/06/27	95,000	94,110	93,581
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'I', Callable, 4.350%, 10/01/39	270,000	242,916	264,720
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	540,000	542,275	545,755
Pembina Pipeline Corp., Series '15', Callable, 3.310%, 01/02/30	50,000	49,962	48,679
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	115,177
Reliance L.P., Callable, 2.680%, 01/12/27	60,000	59,989	58,209
RioCan REIT, Series 'AD', Callable, 1.974%, 15/06/26	55,000	55,000	53,867
Rogers Communications Inc., Callable, 3.250%, 01/05/29	300,000	283,920	292,655
Rogers Communications Inc., Callable, 3.300%, 10/12/29	115,000	114,456	111,551
Royal Bank of Canada, 2.328%, 28/01/27	1,180,000	1,121,320	1,154,470
Royal Bank of Canada, Series '2', Variable Rate, Callable, 4.000%, 24/02/81	200,000	200,000	198,387
Sun Life Financial Inc., Variable Rate, Callable, 2.580%, 10/05/32	40,000	39,985	39,132
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.600%, 30/06/81	70,000	70,000	63,417
TELUS Corp., Callable, 2.050%, 07/10/30	285,000	270,054	256,432
TELUS Corp., Callable, 4.750%, 17/01/45	180,000	154,269	170,233
Toronto-Dominion Bank (The), 5.491%, 08/09/28	260,000	268,398	275,981
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	715,000	692,498	706,081
TransCanada PipeLines Ltd., Callable, 3.800%, 05/04/27	380,000	391,864	381,571
TransCanada PipeLines Ltd., Callable, 4.350%, 06/06/46	260,000	206,380	236,181
Westcoast Energy Inc., Callable, 3.770%, 08/12/25	15,000	16,132	15,031
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	131,967
WSP Global Inc., Callable, 4.120%, 12/09/29	45,000	45,000	45,443
		12,682,279	12,889,204
<b>International — 1.50%</b>			
United States Treasury Bond, 3.625%, 15/02/53	1,310,000	1,528,134	1,533,222
		1,528,134	1,533,222
<b>TOTAL BONDS</b>		39,039,477	39,660,789

## Schedule of Investment Portfolio

As at December 31, 2024

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
<b>SHORT-TERM INVESTMENTS — 2.10%</b>			
Government of Canada Treasury Bill, 3.480%, 30/01/25	1,300,000	1,288,727	1,296,429
Government of Canada Treasury Bill, 3.420%, 27/02/25	200,000	198,402	198,953
United States Government Treasury Bill, 4.553%, 30/01/25	450,000	618,455	644,565
		2,105,584	2,139,947
<b>TRANSACTION COSTS</b>		(52,563)	
<b>TOTAL INVESTMENT PORTFOLIO — 98.90%</b>		85,053,523	99,753,526
<b>DERIVATIVE LIABILITIES — (0.10)%</b>			(64,875)
<b>OTHER ASSETS, NET OF LIABILITIES — 1.20%</b>			1,206,940
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%</b>			100,895,591

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2024

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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 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 27, 2025

#### 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

No changes to material accounting policies



# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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### 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. 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 statement of comprehensive income.

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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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### **(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 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 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

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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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.

### 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, 2024, the Fund has no non-capital losses (December 31, 2023 – nil) and no capital losses carrying forward (December 31, 2023 - 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, 2023 -17%).

### 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

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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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 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.

## 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.

LINCLUDEN BALANCED FUND  
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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.

Unit transactions for the years ended December 31, 2024 and December 31, 2023 are as follows:

	December 31, 2024	December 31, 2023
<b>Series A</b>	Number of Units	Number of Units
Opening	30,109	32,531
Subscriptions	544,024	6
Distributions reinvested	2,458	331
Redemptions	(21,470)	(2,759)
Closing	555,121	30,109
Average	99,431	31,332

	December 31, 2024	December 31, 2023
<b>Series O</b>	Number of Units	Number of Units
Opening	1,706,408	1,754,611
Subscriptions	93,773	14,551
Distributions reinvested	45,592	53,781
Redemptions	(679,099)	(116,535)
Closing	1,166,674	1,706,408
Average	1,654,990	1,698,607

	December 31, 2024	December 31, 2023
<b>Series F</b>	Number of Units	Number of Units
Opening	3,436,740	3,028,488
Subscriptions	599,167	712,128
Distributions reinvested	93,966	88,788
Redemptions	(410,790)	(392,664)
Closing	3,719,083	3,436,740
Average	3,552,069	3,236,465

LINCLUDEN BALANCED FUND  
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

**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.

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, 2024, 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, 2024 market value of purchase (CAD)	Unrealized Gain (Loss) (CAD)	Contract Expiry Date
USD	\$1,108,000	CAD	\$1,526,602	\$1,591,477	\$(64,875)	Jan-25
Net unrealized gain (loss) on foreign exchange forward contracts					\$(64,875)	

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	

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

### 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, 2024. 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, 2024

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	–	–	–	–	–	–
Derivative liabilities	(64,875)	–	(64,875)	–	–	(64,875)
Total	(64,875)	–	(64,875)	–	–	(64,875)

#### 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

## 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 and were \$189,655 for the year ended December 31, 2024 (December 31, 2023 - \$183,437). The Fund Manager may cease to absorb expenses at any time.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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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. As at December 31, 2024, management fees for Series A and F combined total \$190,704 (December 31, 2023 - \$141,935)

As at December 31, 2024, management fees payable for Series A and F combined is \$34,287 (December 31, 2023 - \$14,944).

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, 2024 (December 31, 2023 - \$35,000).

### Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 105,664 redeemable units in the Fund as at December 31, 2024 (December 31, 2023 – 103,467).

## 9. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the year ended December 31, 2024 amounted to \$17,890 (December 31, 2023 - \$20,850). 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 \$795 (December 31, 2023 – \$348) during the reported period.



# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

### 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.

#### Currency Risk December 31, 2024

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	27,538,198	(1,591,477)	25,946,721	25.72%
Euro	4,550,014	—	4,550,014	4.51%
British Pound	134,946	—	134,946	0.13%

#### 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%

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

As at December 31, 2024, 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 \$1,531,584 (December 31, 2023 - \$1,256,929). 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

December 31, 2024:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	334,188	8,101,080	5,862,762	25,362,759	39,660,789

#### 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

As at December 31, 2024, 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 \$3,148,765 (December 31, 2023 - \$3,097,071).

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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### 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, 2024 and December 31, 2023, the Fund invested in debt securities with the following credit characteristics:

### Credit Risk

Bond Ratings	Percentage of Net Assets	
	December 31, 2024	December 31, 2023
AAA	10.97%	13.38%
AA	14.77%	7.28%
A	7.67%	15.58%
BBB	5.90%	5.45%
Total	39.31%	41.69%

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 December 31, 2024, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,897,640 (December 31, 2023 –

## LINCLUDEN BALANCED FUND

### NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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\$2,523,281) 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.
- 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.

# LINCLUDEN BALANCED FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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, 2024, there were no securities transferred from Level 1 to Level 2 (December 31, 2023 – 48,156). During the year ended December 31, 2024, securities valued at approximately \$20,913 were transferred from Level 2 to Level 1 (December 31, 2023 – nil).

The Fund did not have any Level 3 investments as at December 31, 2024 (December 31, 2023 – nil).

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of December 31, 2024 and December 31, 2023:

### Fair Value Hierarchy

As at December 31, 2024

	(Level 1)	(Level 2)	(Level 3)	Total
Equities	\$ 57,952,790	\$ –	\$ –	\$ 57,952,790
Bonds	–	39,660,789	–	39,660,789
Short-Term Investments	–	2,139,947	–	2,139,947
<b>Total Investments</b>	<b>\$ 57,952,790</b>	<b>\$ 41,800,736</b>	<b>\$ –</b>	<b>\$ 99,753,526</b>
Derivatives	\$ –	\$ (64,875)	\$ –	\$ (64,875)
	<b>\$ 57,952,790</b>	<b>\$ 41,735,861</b>	<b>\$ –</b>	<b>\$ 99,688,651</b>

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
<b>Total Investments</b>	<b>\$ 50,406,217</b>	<b>\$ 37,265,929</b>	<b>\$ –</b>	<b>\$ 87,672,146</b>
Derivatives	\$ –	\$ 52,758	\$ –	\$ 52,758
	<b>\$ 50,406,217</b>	<b>\$ 37,318,687</b>	<b>\$ –</b>	<b>\$ 87,724,904</b>

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

LINCLUDEN BALANCED FUND  
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2024

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**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.