

LINCLUDEN MUTUAL FUNDS

SIMPLIFIED PROSPECTUS

Offering Series A units, Series F units, Series I units and Series O units of

# **Lincluden Balanced Fund**

No securities regulatory authority has expressed an opinion about these Units and it is an offence to claim otherwise.

May 4, 2023



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# Lincluden Balanced Fund

## Part A: General Disclosure

### Introductory Disclosure

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This document is divided into two parts. The first part, from pages 2 through 27, contains general information applicable to all of the Lincluden Mutual Funds. The second part, from pages 28 through 37, contains specific information about each of the Funds described in this document.

Additional information about the Fund is available in the following documents:

- the most recently filed Fund Facts for the Fund;
- the most recently filed annual financial statements of the Fund;
- any interim financial statements filed after those annual financial statements of the Fund;
- the most recently filed annual management report of fund performance of the Fund; and
- any interim management report of fund performance of the Fund filed after such annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get copies of these documents at your request, and at no cost, by calling us toll-free at 1-800-532-7071 or from your dealer.

These documents are available on the mutual fund's designated website at [www.lincluden.com](http://www.lincluden.com), or by contacting Lincluden Investment Management Limited at [info@lincluden.net](mailto:info@lincluden.net).

These documents and other information about the Fund are available at [www.sedar.com](http://www.sedar.com).

This Simplified Prospectus contains information about the Lincluden Balanced Fund (the "Fund") and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

In this document, "we", "us" and "our" refer to Lincluden Investment Management Limited, the trustee, manager and principal distributor of the Fund.

## Lincluden Balanced Fund

### Responsibility for Mutual Fund Administration

#### Manager

Lincluden Investment Management Limited manages the Lincluden Balanced Fund. The Lincluden Balanced Fund is referred to as the "Fund". Lincluden Investment Management Limited is referred to as "Lincluden", the "Manager" or the "Trustee". The head office of the Manager is located at 201 City Centre Drive, Suite 201, Mississauga, Ontario, L5B 2T4. The phone number for the Manager is 1-844-373-4240 and the designated website address is [www.lincluden.com](http://www.lincluden.com).

Lincluden, as manager, is responsible for the operations and affairs of the Fund pursuant to a management agreement dated February 23, 2000, as amended on March 14, 2000 (the "Management Agreement"). The Manager's responsibilities include the portfolio management of assets of the Fund, the execution of portfolio transactions and providing office space and facilities, clerical help, bookkeeping services, registry and transfer agency services, distribution crediting, Unitholder account management and all other Unitholder servicing requirements. A key component of Lincluden's Unitholder service program is timely and accurate fund administration and reports. The Manager can retain others to assist it in performing its management services.

The Manager may terminate the Management Agreement by giving 90 days prior notice in writing of its intention to do so or such shorter number of days as may be agreed to. The Management Agreement may be immediately terminated if the Manager ceases to carry on business, becomes bankrupt or insolvent, resolves to wind up or liquidate or has an examiner or receiver appointed in relation to its assets.

The Manager has retained CIBC Mellon Global Securities Services Company ("CIBC Mellon") to perform certain administrative services for the Fund, including Unitholder recordkeeping, valuation, fund accounting, processing of subscriptions and redemptions and the calculation and processing of income and capital gains distributions.

The Fund is a trust and is governed under the laws of Ontario by an amended and restated declaration of trust (the "Trust Agreement") dated April 17, 2007, whereby Lincluden acts as the manager and trustee of the Fund. The Trustee has legal title to the property of the Fund. The Declaration of Trust details the general powers of the Trustee. The powers of the Trustee of the Fund include appointing a custodian and a registrar. The Manager may amend the Trust Agreement of the Fund, provided no amendment may be made which would adversely affect the pecuniary value of the interest of any Unitholder of the Fund unless duly approved by a majority of votes cast at a meeting of Unitholders duly called for that purpose in accordance with the provisions in the Trust Agreement. No approval of Unitholders of the Fund is required for any other amendment except pursuant to the requirements of applicable securities laws.

The Trust Agreement provides that the Trustee may, in its discretion, terminate the Fund. Unitholders will be given at least 60 days prior notice of any such termination.

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The Trustee may resign by giving written notice to the Unitholders of the Fund not less than six months prior to the date when such resignation shall take effect. The resignation shall take effect on the date specified in such notice unless prior to that date a successor trustee has been appointed in accordance with the Trust Agreement, in which case the resignation of the Trustee shall take effect immediately upon the appointment of the successor trustee.

If the Trustee gives notice of its intention to resign or becomes incapable of acting or if a vacancy in the position occurs for any reason, a successor trustee shall forthwith be appointed by the Manager. If the Manager fails to appoint a successor trustee within 30 days after the notice is given or a vacancy in the position occurs, the Manager shall call a meeting of Unitholders of the Fund within 30 days for the purpose of appointing a successor trustee. If, upon the expiry of a further 30-day period, the Unitholders of the Fund have not appointed a successor trustee, the Fund shall be terminated forthwith and the property of the Fund shall be distributed in accordance with the provisions of the Trust Agreement.

So long as the Manager is the trustee of the Fund, the Manager shall not receive any fees for acting as trustee of the Fund. In all other cases, the Trustee shall be entitled to receive from the Fund such fees as may be agreed upon from time to time by the Manager and the Trustee.

As of the date of this Simplified Prospectus, the name, municipality of residence and office held of each director and executive officer of Lincluden, the manager and trustee of the Fund, is as follows:

Name and Municipality of Residence	Position With Lincluden
Philip R. Evans Toronto, Ontario	President and Chief Executive Officer and Director Ultimate Designated Person
Glen Pichanick Mississauga, Ontario	Vice-President and Chief Compliance Officer
Alanna Catherine Sinclair-Whitty Burlington, Ontario	Vice-President and Secretary
Wayne Wilson Toronto, Ontario	Vice-President
James Lampard Toronto, Ontario	Vice-President and Director
Kuldip Sahi Mississauga, Ontario	Director
Bruce Robertson Toronto, Ontario	Director
Donald W. Turple	Director

Each director and officer listed above has held such principal occupation or another occupation with the same or an affiliated corporation for over five years.

## Lincluden Balanced Fund

### Portfolio Adviser

Lincluden is the portfolio manager of the Fund and, as such, is responsible for the investment management of the assets of the Fund. In this capacity, Lincluden is responsible for the management of the investment portfolio, which involves performing investment analysis, making investment decisions, effecting purchases and sales of investments and making brokerage arrangements.

Investment decisions for the Fund are made by teams of portfolio managers employed by Lincluden, and are not subject to the approval of any committee. The following individuals are principally responsible for the day to day portfolio management of the Fund:

Name	Position with Lincluden
Gary Stewart	Vice-President, Fixed Income
Todd Parsons	Vice-President, Fixed Income
James Lampard	Vice-President & Director, Portfolio Manager, Equities
Peter Chin	Vice-President, Portfolio Manager, Equities
Derek Warren	Vice-President, Portfolio Manager, Equities
Chris Dunlop	Vice-President, Portfolio Manager, Equities
Scott Connell	Vice-President, Portfolio Manager, Equities

### Lincluden Philosophy

Our investment philosophy is broadly defined as value oriented. The philosophy is consistently applied at the asset mix level and within each asset class.

Equity management is fundamentally driven in order to identify securities that are trading at a substantial discount to our appraisal of their fair value. We screen a broad universe of Canadian, U.S. and international stocks across the capitalization spectrum in our search for securities which are undervalued. The broader economic, capital market and sector factors at work receive less weight in our analysis than company specific information. The Fund invests in a wide variety of industries and companies in order to reduce risk through diversification.

The fixed income management approach is based on the view that the economy and financial markets behave in a cyclical fashion and that markets are not always efficient in recognizing relative value and risk. We are committed to structuring a portfolio that achieves the most efficient combination of the duration,

## **Lincluden Balanced Fund**

credit, yield curve and foreign-pay exposure variables from a long term, risk reward perspective. The term to maturity decision reflects an analysis of current interest rates relative to anticipated inflation. Security selection decisions reflect a thorough assessment of a detailed credit analysis of the issuer. Corporate bonds generally represent a significant part of the Fund's portfolio.

### **Brokerage Arrangements**

We may receive research and order execution goods and services in return for directing brokerage transactions for the Fund to registered dealers. The users of these research and order execution goods and services are portfolio managers and traders.

The quality of these goods and services is considered when selecting a dealer; we ensure that they are used by the Fund to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the Fund.

Dealers provide research goods and services that included advice, analyses and reports regarding various subject matters relating to investments (including portfolio strategy, economic analysis, and statistic data about capital markets and securities). These reports and advice are provided either directly or through publications or writings, including electronic publications, telephone contacts and personal meetings with security analysts, economists and corporate and industry spokespersons, and may include analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments.

These arrangements are always subject to "best execution", which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction costs. Order execution goods and services include trading software, and market data that is directly related to executing orders, as well as databases and software that support these goods and services.

The names of such dealers are available on request, at no cost, by contacting the Manager at 1-844-373-4240.

We conduct trade cost analysis to ensure that the Fund receives a reasonable benefit from the use of the research and order execution goods and services provided, as applicable, relative to the amount of the brokerage commission paid.

Lincluden does not have any dealer affiliates.

No commissions are used to pay for third party investment decision-making services that may be provided for the benefit of the Fund. Those services are paid for directly by the Manager.

The Manager determines which dealers, who provide research and trade execution services for the benefit of the Manager and the Fund, will receive brokerage business from the Fund based on the level of service received from the dealer, including the quality of research, commission costs and their ability to execute trades. No commissions are used to pay for any investment decision-making services that may be provided for the benefit of the Fund. Those services are paid for directly by the Manager.

## **Lincluden Balanced Fund**

### **Principal Distributor**

Lincluden, located at 201 City Centre Drive, Suite 201, Mississauga, Ontario L5B 2T4, is the principal distributor of the Fund. The Fund entered into a Distribution Agreement dated February 23, 2000 with Lincluden whereby Lincluden has agreed to act as the primary agent for the sale and distribution of Units of the Fund. Either party to the Distribution Agreement can terminate it upon 90 days prior notice in writing to the other party.

No fees are payable by the Fund to Lincluden in respect of its services as principal distributor of the Fund.

### **Directors, Executive Officers and Trustees**

The Fund is a trust and is governed under the laws of Ontario by an amended and restated declaration of trust (the "Trust Agreement") dated April 17, 2007, whereby Lincluden acts as the manager and trustee of the Fund. The Trustee has legal title to the property of the Fund. The Declaration of Trust details the general powers of the Trustee. The powers of the Trustee of the Fund include appointing a custodian and a registrar. The Trust Agreement provides that the Trustee may, in its discretion, terminate the Fund. Unitholders will be given at least 60 days prior notice of any such termination. The Trustee may resign by giving written notice to the Unitholders of the Fund not less than six months prior to the date when such resignation shall take effect. If the Trustee gives notice of its intention to resign or becomes incapable of acting or if a vacancy in the position occurs for any reason, a successor trustee shall forthwith be appointed by the Manager.

More details, including a list of our directors and executive officers can be found under the sub-heading "Manager" under the heading "Responsibility for Mutual Fund Administration".

### **Custodian**

The CIBC Mellon Trust Company ("CMT" or the "Custodian"), Toronto, Ontario, is the custodian of the portfolio securities of the Fund pursuant to an amending agreement made as of October 17, 2007 between Lincluden, CIBC Mellon Global Securities Services Company ("CIBC Mellon"), Canadian Imperial Bank of Commerce, Mellon Bank, N.A. and CMT.

As custodian, CMT is responsible for ensuring that the assets of the Fund are safely held. CMT also determines the net asset value of the Fund and of each series of the Fund.

Except for securities held by a domestic or foreign depository or clearing agency authorized to operate a national or transnational book based system, portfolio securities of the Fund, if acquired in Canada, are kept at one of the Canadian offices of the Custodian. If the portfolio securities are acquired in any foreign market, they are kept at the office of the sub custodian appointed in the jurisdiction in which such market is situated. Any other foreign sub custodian will be appointed by or under the authority of the Custodian, based upon a variety of factors, including reliability as a custodian, financial stability and compliance with applicable regulatory requirements.

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The Custodian Agreement may be terminated by the Trustee, the Custodian or CIBC Mellon on at least 90 days' prior written notice or such shorter period as agreed to by the parties. It may also be terminated immediately by a party if any other party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days.

In return for its services, the Custodian is entitled to receive certain fees as agreed to from time to time in writing by CIBC Mellon and the Trustee. In addition, the Custodian and CIBC Mellon are entitled to be reimbursed for all reasonable expenses incurred by them in the performance of their duties under the agreement.

### **Auditor**

KPMG LLP of Toronto, Ontario is the auditor of the Fund. KPMG annually audits the financial statements of the Fund to report on the fair presentation of the Fund's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards.

The auditors of the Fund may not be changed unless the IRC of the Fund has approved the change in accordance with National Instrument 81-107 Independent Review Committee for Investment Funds and a written notice describing the change in auditors is sent to the unitholders of the Fund at least 60 days before the effective date of the change.

### **Registrar**

CIBC Mellon Global Securities Services Company is the registrar of the Fund. As registrar, CIBC Mellon Global Securities Services Company keeps track of the Units of the Fund, processes purchase and redemption orders pursuant to instructions from the Manager and issues investor account statements on behalf of the Manager.

### **Securities Lending Agent**

The Manager does not use the services of a securities lending agent. If the Fund were to engage in securities lending or repurchase transactions it would retain the services of CIBC Mellon Trust Company of Toronto, Ontario. The agreement appointing the securities lending agent would comply with securities regulations. The securities lending agent would not be an affiliate of the Manager.

## **Independent Review Committee and Fund Governance**

### ***Independent Review Committee ("IRC")***

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 Independent Review Committee for Investment Funds ("NI 81-107"). NI 81-107 requires all publicly offered investment funds to establish an independent review committee to whom the manager must refer all conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the manager to establish written policies and procedures for dealing with conflict of interest matters,

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maintain records in respect of these matters and provide assistance to the independent review committee in carrying out its functions. The independent review committee is required to be comprised of a minimum of three independent members, and is required to conduct regular assessments and provide reports to the manager and its Unitholders in respect of its functions.

The following table lists the members of the Independent Review Committee:

Member	Residence	First Appointed
Martin J.K. Brown Chair of the IRC	Oakville, Ontario	February 2, 2015
Daniela Hampton-Davies Member	Oakville, Ontario	February 2, 2015
Raymond J. Homer Member	Meaford, Ontario	February 2, 2015

Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of the fund which is available on the Fund's designated website at [www.lincluden.com](http://www.lincluden.com) and upon request by a unitholder of the fund, at no cost, by calling: 905-273-4240 or toll-free at 1-844-373-4240.

### *Fund Governance*

The Manager is responsible for the governance of the Fund. In connection with this governance, the Manager has adopted the following policies, practices and guidelines to address business practices, sales practices, risk management and conflicts of interests:

- (i) Code of Ethics and Business Conduct: This policy sets out procedures respecting client confidentiality, compliance with securities legislation, conflicts of interest, self dealing restrictions and related matters;
- (ii) Personal Trading Policy: This policy is designed to ensure that the account of each employee of the Manager complies with all applicable Canadian securities laws; and
- (iii) Proxy Voting Policy and Procedures: covered below under Policies and Practices

## Policies and Practices

### Use of Derivatives

The Fund may use derivatives to hedge certain risk exposures. Specifically, the Fund may enter into forward foreign exchange contracts with the intention to offset or reduce exchange rate risks associated with

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investments in the Fund. When using derivatives for hedging the Fund must comply with the investment restrictions and practices set out in NI 81-102.

Compliance policies and procedures have been established to ensure that the Fund meets the obligations set out in NI 81-102. The Manager's Chief Compliance Officer is responsible for setting the policies and procedures as well as authorizing the trading of derivatives and placing limits or controls on trading. The Chief Compliance Officer is also responsible for oversight and ongoing reviews of the use of derivatives and must report any instances of non-compliance to the Board of Directors of the Manager. Compliance personnel that monitor the use of derivatives are independent of the investment team and those who trade.

Other than the restrictions set out in NI 81-102, no trading limits or controls have been put in place on derivative trading. Risk measurement procedures or simulations are not used to test the portfolio under stress conditions.

### **Short Selling**

The Fund does not currently, nor does it intend to engage in short selling.

### **Securities Lending, Repurchase or Reverse Repurchase Transactions**

The Fund does not currently, nor does it intend to enter into securities lending, repurchase or reverse repurchase transactions.

### **Proxy Voting Policies and Procedures**

The Manager has adopted Proxy Voting Policies and Procedures ("Policies") and Proxy Voting Guidelines ("Guidelines"). It is the Manager's policy to exercise voting rights with due care and diligence, recognizing the best interests of the Fund. The portfolio manager at the Manager who covers a specific investment is responsible for the determination of the voting decision for all proxies for that investment. The portfolio manager assumes responsibility for reviewing the information provided in the proxy statement, and considering that relative to available research on the topic that may be provided by internal staff or independent third parties, the Guidelines adopted by the Manager and his or her own knowledge and experience.

The Guidelines are available to unitholders on request, at no cost, by calling toll-free 1-844-373-4240 or by writing to Lincluden Investment Management Limited located at 201 City Centre Drive, Suite 201, Mississauga, Ontario L5B 2T4. The Fund's proxy voting record for the annual period ending June 30 each year will be available at any time after August 31 of that year to any Unitholder upon request, at no cost, and will also be available on Lincluden's website at [www.lincluden.com](http://www.lincluden.com).

The Manager's policy with respect to dealing with matters that normally would be considered routine (e.g., appointment of the external auditors, election of the members of the board of directors, approval of the income statements and balance sheets – a common proxy vote matter with European companies) is, typically, to vote in favour of management's proposal. The Guidelines have been constructed to present the Manager's general position on certain issues, including board size, management incentive plans and

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increases in authorized shares. However, the Manager retains discretion to deviate from the Guidelines depending on the specifics of the proxy vote and the analysis of the particular circumstances.

The Manager reviews the Guidelines at least annually to ensure they remain consistent with its investment philosophies.

All portfolio managers must operate under the Manager's Code of Ethics, which requires that the best interests of the Fund be placed ahead of any conflicting interest. Where a proxy vote raises a conflict of interest between the Manager or the Unitholders of the Fund, the proxy will be voted in a manner consistent with the Guidelines. A conflict of interest may be perceived to exist when a company that is soliciting a proxy is an advisory client of Lincluden, or when Lincluden personnel have a business or personal relationship with participants in proxy contests. Proxies are to be voted in accordance with investment considerations and investment merits, without regard to any business relationship that may exist between the Manager and the company.

Under certain circumstances proxy votes may not be cast. This would be the case if it was determined that the cost of voting the proxy was excessive relative to the anticipated benefit to the Unitholders of the Fund or it becomes impossible to vote a proxy despite a reasonable effort to do so.

The portfolio manager responsible for a specific investment and its proxies indicates his decisions regarding voting to a staff administrator who transfers the information onto the format required by the Fund's custodian to properly record the vote. Alternatively the administrator may access either electronic or telephone voting systems.

### **Remuneration of Directors, Officers and Trustees**

The Fund does not directly employ any directors, officers or trustees to carry out its operations. We, as manager of the Fund, provide all personnel necessary to conduct the Fund's operations.

Each member of the IRC will receive a fee for each meeting of the IRC attended by the member and will be reimbursed for reasonable expenses incurred. Compensation to Members of the IRC is \$8,000 per annum in addition to \$1,000 per meeting attended, whereas the Chair is compensated \$12,000 per annum in addition to \$1,500 per meeting attended. The aggregate compensation paid by the Fund to the IRC from January 1, 2022 to December 31, 2022 was \$35,000. Compensation paid to Mr. Brown was \$15,000; Mr. Homer, \$10,000 and Ms. Hampton-Davies, \$10,000. This amount is considered by Lincluden to be fair and reasonable.

### **Material Contracts**

A copy of the following material contracts may be inspected during normal office hours at the principal office of the Manager in Mississauga:

- (i) the Trust Agreement for the Fund;
- (ii) the Management Agreement for the Fund;

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- (iii) the Custodian Agreement for the Fund; and
- (iv) the Distribution Agreement for the Fund.

### Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund this document pertains to can be found at the following location: [www.lincluden.com](http://www.lincluden.com).

### Valuation of Portfolio Securities

The value of the net assets of a series of Fund is calculated in accordance with the provisions of the Trust Agreement. The following is a summary of the material parts of these provisions:

- (a) cash on hand, on deposit or on call, bills and notes, accounts receivable, prepaid expenses and cash dividends and accrued interest to be received are valued at face amount, unless the Manager determines that they are worth less, in which case, they will be valued at their fair value, as determined by the Manager;
- (b) any security listed or dealt in on a stock exchange is valued at the closing sale price. Failing a sale on that day, it is valued at the average of the closing bid and closing asked prices, as obtained from any report in common use or authorized as official by such stock exchange;
- (c) any security not listed or dealt in on a stock exchange is valued at the last ascertainable sale price. Failing a sale on that day, it is valued at the average of the closing bid and closing asked prices as obtained from any report in common use;
- (d) any treasury bill and other discounted short term debt obligation is valued at its amortized cost;
- (e) dividend income is recognized on the ex-dividend date and interest income is accrued;
- (f) all assets denominated or liabilities payable in a foreign currency are converted into Canadian currency at the current exchange rate obtained from any report in common use;
- (g) Forward foreign exchange contracts are valued as the difference between the value on the date the contract originated and the value of the contract on the valuation date. When the contract expires, we will recognize a realized foreign exchange gain or loss; and
- (h) any security, the resale of which is restricted, whether by a representation, undertaking or agreement or by law, is valued at the lesser of: (i) its quoted value as reported in any report in common use and (ii) that percentage of the market value of securities of the same class or series the trading of which is not so restricted which is equal to the percentage which the Fund's acquisition cost was of the market value of

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such securities at the time of acquisition; but taking into account, if appropriate, the amount of time until the restricted security will cease to be a restricted security.

The Manager will use the fair value when securities are not traded and where they are usually traded the Manager will deviate from these valuation principles in circumstances where the above methods do not accurately reflect the fair value of a particular security at any particular time.

For the purpose of the issuance and the redemption of Units of series of the Fund and for any distribution to Unitholders, the price, value or amount distributed by or paid to the Fund is in Canadian funds. For the purpose of any conversions of monies from any other currency to Canadian currency, the current rate of exchange as quoted to the Fund by its custodian as nearly as practicable at the time as of which the net asset value is being computed shall be used.

The Manager has not had to exercise its discretion to determine the fair market value of any asset or security in the past three years.

Pursuant to NI 81-106, investment funds calculate their NAV using fair value (as defined therein) for purposes of securityholder transactions. The Manager considers the policies above to result in fair valuation of the securities held by the Funds in accordance with NI 81-106.

The Fund is required to prepare its financial statements in accordance with International Financial Reporting Standards ("IFRS"). Calculating the net assets of the Fund in accordance with IFRS allows the Fund to, among other things, use a price between the bid-ask spread, which most represents fair value for the purposes of valuation of a security. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is the most representative of the fair value of the security based on the specific facts and circumstances at hand. In case a reliable or timely value is not available, the fair value will be estimated using certain valuation techniques on such basis and in such manner as may be determined by the Manager.

### **Calculation of Net Asset Value**

All Units of a series of the Fund will be sold at the net asset value per Unit of that series of the Fund for that day. The net asset value per Unit of a series of the Fund is calculated before any Units of that series of the Fund are issued or redeemed. Any Units of a series of the Fund that are purchased or redeemed on that day are reflected in the net asset value per Unit of that series of the Fund the next time it is calculated. The net asset value per Unit of a series of the Fund as at any Valuation Date is equal to the assets of that series of the Fund minus the liabilities of that series of the Fund divided by the number of Units of that series of the Fund that are outstanding.

The net asset value per Unit of a series of the Fund is calculated by CIBC Mellon Trust Company, the custodian of the Fund, as at 5:00 p.m., Toronto time, on each Valuation Date. The expression "Valuation Date" means (a) each Trading Day, and (b) December 31 in each year or such other date as may be permitted under the Tax Act. A "Trading Day" is a day on which the Toronto Stock Exchange is open for trading. The NAV per Unit of a Series of the Fund is available at or upon request, at no cost to you, by calling toll-free 1-844-373-4240.

# Lincluden Balanced Fund

## Purchases, Switches and Redemptions

### General

Series A units, series F units, series I units and series O units of the Fund are offered on a continuous basis by this Simplified Prospectus in all of the provinces and territories of Canada.

You may buy or redeem your Units in two ways:

- in Ontario through us as principal distributor, or
- through another dealer who has approved the Fund for sale.

The issue and redemption price of a Unit is based on the net asset value ("NAV") of that series of the Fund next determined after we receive a redemption or purchase order. We calculate a separate NAV for each series of Units of the Fund. We do this by taking the total assets held by a series of the Fund, subtracting its liabilities, and then dividing by the number of Units of that series outstanding.

All requests for any purchases or redemptions of a series of Units of the Fund must be received by us prior to 4:00 p.m. on a "trading day" in order to receive that trading day's Unit price for that series of the Fund. A trading day is a day on which the Toronto Stock Exchange is open for trading. If your request to purchase Units is received after 4:00 p.m., the Unit price of that series applied to your request will be determined on the next trading day.

The Unit price of each series will fluctuate with the value of the investments and expenses of that series of the Fund. The Unit price of each series of the Fund is calculated as at the close of trading of the Toronto Stock Exchange (the "TSX") (normally 4:00 p.m. Toronto time) on each day the TSX is open for trading. If the TSX closes early on any day, the net asset value per Unit of each series of the Fund will be calculated as at that earlier closing time.

Under exceptional circumstances, the Fund may suspend redemption of Units. Please refer to the sub heading "Redemptions" for information in regard to this matter.

### Series A Units

Series A units of the Fund are designed for retail investors. If you buy series A units of the Fund, you may have to pay a sales charge to your dealer. See "Fees and Expenses Payable Directly by You". Your dealer will generally deduct the amount of the sales charge from your subscription and forward the net amount to us to be invested in series A units of the Fund.

### Series F Units

Series F units of the Fund are designed exclusively for investors who participate in a fee-based program with a dealer. By signing a Series F agreement with us, your dealer agrees to the terms and conditions in the

## **Lincluden Balanced Fund**

contract and is required, among other things, to notify us if you no longer have a fee based or wrap account with the dealer.

If we are notified that you no longer have a fee based or wrap account, we will sell or reclassify your series F units of the Fund in accordance with the instructions from your dealer. In the absence of instructions, we may automatically sell your series F units of the Fund or reclassify them to series A units of the Fund. There may be tax implications arising from such a sale. See *Income Tax Considerations for Investors* for more details.

You do not have to pay any sales charge if you buy series F units of the Fund as you already pay your dealer for the advice and other services that they provide to you.

The series F units of the Fund will charge an annual management fee equal to 0.25% of the series' value.

### **Series I Units**

Series I units of the Fund are designed exclusively for institutional investors and qualified individuals. Each eligible investor must enter into a series I unit account agreement with us.

No management fees are charged to, or are payable by, the Fund with respect to series I units of the Fund. Each investor will negotiate a separate management fee directly payable to us, which will be specified in that investor's series I unit account agreement.

### **Series O Units**

Series O units of the Fund are available to investors who enter into a series O unit account agreement with us.

No management fees are charged to, or are payable by, the Fund with respect to series O units of the Fund. Each investor will negotiate a separate management fee directly payable to us, which will be specified in that investor's series O unit account agreement.

If you are a unitholder of the Fund and decide to buy additional series O units of the Fund from a dealer, the dealer may charge you an administrative fee. This will reduce the amount of money you invest in the Fund. Please see "Fees and Expenses" and "Dealer Compensation".

### **Purchases**

You may buy units of the Fund through your dealer. You may also purchase Units of the Fund directly from us by completing an application form and returning it to us with a cheque in person or by mail. Your initial investment for Units of the Fund must be at least \$5,000. At our discretion, we may waive this minimum threshold. You must pay the full price for the Units of the Fund when you buy them. When you become a unitholder, we will send you a confirmation that includes details of your purchase. We do not issue certificates for Units of the Fund.

## **Lincluden Balanced Fund**

The purchase price of a Unit of a series of the Fund will be equal to the relevant net asset value per Unit of such series of the Fund. If an order is received by the Manager at its office in Mississauga, Ontario at or prior to 4:00 p.m. on a Valuation Date, the relevant net asset value will be determined on that date. If the receipt takes place after that time, the relevant net asset value will be determined on the next following Valuation Date.

We reserve the right to close accounts for Units of the Fund that fall below \$5,000. At our discretion, we may reduce these minimum amounts. When an account falls below the minimum, we may notify you and you will have 30 days to make an additional investment to restore your account to \$5,000.

We may reject your purchase order within one business day of receiving it. Any monies sent with your order will be returned immediately.

### **Redemptions**

You may redeem Units of the Fund through your dealer or, if such Units to be redeemed were purchased directly from us, through Lincluden (in which case the request must be signed by the registered unitholder). All redemption requests must include your account number, the dollar amount or number of Units of the series of the Fund that you want to redeem and an address or designated account where the redemption proceeds are to be sent. If all of the required information is received by us before 4:00 p.m. on a trading day, you will receive that trading day's Unit price for the applicable series of the Fund. If all of the information is received by us after 4:00 p.m., the Unit price of the applicable series of the Fund will be determined on the next trading day.

Your dealer may charge you a redemption fee when you redeem your Units of the Fund. We do not charge a redemption fee for Units of the Fund that are bought through us. You may also be subject to administrative fees and expenses if you redeem your Units of the Fund through another dealer. Please see "Fees and Expenses".

Under exceptional circumstances, we may suspend your right to redeem Units of the Fund. This would most likely occur if market trading was suspended on any stock exchange on which shares are listed which represent more than 50% of the value of the total assets of the Fund and if those securities are not traded on any other exchange that represents a reasonable alternative for the Fund, or with the consent of the securities regulatory authorities. The Fund will not accept any purchase orders during any period when the right to redeem has been suspended.

A dealer may make arrangements with you that will require you to compensate the dealer for any losses suffered by the dealer in connection with your failure to satisfy the requirements of the Fund or securities legislation for a redemption of securities of the Fund.

## **Lincluden Balanced Fund**

### **Short-Term Trading**

Short-term trading involves the frequent purchase and sale of units of a fund. Generally, trading may be considered excessive if a unitholder sells or switches units of a fund within 90 days of buying them, on more than one occasion. If undertaken by unitholders, excessive short-term trading can negatively impact the value of the fund to the detriment of other unitholders. A fund's return can also be negatively impacted by excessive short-term trading because the fund may have to sell portfolio holdings, incurring additional trading costs, or hold additional cash to pay redemption proceeds.

To discourage short-term trading, restrictions may be applied in the form of a short-term trading fee. If Units of the Fund are redeemed within 90 days of being purchased, we may impose a 2% early withdrawal fee. If this early withdrawal fee is applied, your redemption proceeds will be 98% of the redemption amount you authorized. See Short-Term Trading Fee under Fees and Expenses. Additional action may be taken to prevent short-term trading, which may include a warning delivered to the unitholder, monitoring of trading activity and potentially rejection of further trades.

Policies and procedures have been adopted to monitor, detect and deter short-term trades of units of the Fund. Relevant criteria is considered to determine the occurrence of short-term trading. We have the right to restrict or reject any purchase or switch order without any prior notice, including transactions accepted by your dealer.

### **Optional Services Provided by Lincluden**

#### **Registered Plans**

Units of the Fund are qualified investments for registered plans. We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds (LIFs), locked-in retirement income funds (LRIFs – note, no new LRIFs may be established nor may additional money be transferred into existing LRIFs), locked-in retirement accounts (LIRAs), and tax-free savings accounts. If you are a member of a registered pension plan and you leave your company, you may be able to make a tax-free transfer of your locked-in pension assets to one of our above noted registered plans.

You should consult your tax advisor about the special rules that apply to each type of registered plan, including whether or not an investment in a Fund would be a prohibited investment for your registered plan or whether a particular transaction constitutes a prohibited advantage for your registered plan.

There are no annual administration fees for our registered plans.

The trustee of our registered plans is CIBC Mellon Trust Company in Toronto, Ontario.

#### **Regular Investment Plan**

## **Lincluden Balanced Fund**

You can buy Units of the Fund through a pre authorized chequing plan (PAC) at no additional charge. You can invest monthly, quarterly, semi annually or annually. Each investment must be at least \$100.

### **Regular Withdrawal Plan**

We are also able to offer you an automatic withdrawal plan (AWP) at no additional charge. You can withdraw funds monthly, quarterly, semi annually or annually. The minimum amount is \$100. Regular withdrawals could eventually deplete your entire account. You can suspend this AWP authorization at any time. To subscribe to this service, the Unitholder must have a minimum of \$25,000 invested in the Fund.

### **Automatic Reinvestment of Distributions**

All distributions by the Fund are automatically reinvested for you by purchasing additional Units of the same series of the Fund that you hold.

## Lincluden Balanced Fund

### Fees and Expenses

#### General Disclosure

This table lists the fees and expenses that you may have to pay if you invest in Units of a series of the Fund. Depending on the series of Units of the Fund that you hold, you may have to pay some of these fees and expenses directly or the Fund may have to pay some of these fees and expenses, either of which will reduce the value of your investment in the Fund.

#### Fees and Expenses Payable by the Fund

<b>Management Fees</b>	<p><u>Series A Units</u> - We are entitled to an annual management fee from the series A units of the Fund of 1.75%. A lower fee of 1.25% may apply to larger account balances in the form of a management fee rebate. The management fee for the series A units of the Fund is based on the average daily net asset value of the series A units of the Fund and is payable monthly, in arrears.</p> <p><u>Series F Units</u> - We are entitled to an annual management fee from the series F units of the Fund of 0.25%. The management fee for the series F units of the Fund is based on the average daily net asset value of the series F units of the Fund and is payable monthly, in arrears.</p> <p>The management fees for series A units and series F units of the Fund are each calculated before HST and are expressed as a percentage of the assets under management by us attributable to the series A units and series F units of the Fund, as applicable.</p> <p>We do not receive a management fee from the Fund in respect of series I units or Series O units of the Fund.</p> <p>The Fund will not make a change which could result in an increase in charges to the Fund without providing 60 days prior notice to the unitholders of the Fund that are effected by such change.</p>
<b>Operating Expenses</b>	<p>The Fund is responsible for the payment of all expenses and charges related to the operation and administration of the Fund, including the cost of preparing financial reports and prospectuses, fees and expenses paid for the maintenance of the register of unitholders, legal fees, audit fees, transactional charges and disbursements related to the portfolio of the Fund, taxes, borrowing expenses, the</p>

## Lincluden Balanced Fund

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fees and expenses of the custodian and the trustee and expenses related to convening and conducting meetings of unitholders of the Fund, all of which may be paid out of the assets of the Fund. The Manager currently pays costs related to its sale and distribution of the Units of the Fund. The Manager may, on a discretionary basis, also pay certain operating expenses otherwise payable by the Fund. Each member of the Independent Review Committee ("IRC") will receive a fee for each meeting of the IRC attended by the member and will be reimbursed for reasonable expenses incurred. The aggregate compensation paid to IRC members and expenses of the IRC for the period ended December 31, 2022 was \$35,000. Compensation to Members of the IRC is \$8,000 per annum in addition to \$1,000 per meeting attended, whereas the Chair is compensated \$12,000 per annum in addition to \$1,500 per meeting attended.

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### Fees and Expenses Payable Directly by You

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#### Management Fees

Series I Units and Series O Units - A maximum annual management fee of 1.75% is payable to us on series I units and series O units of the Fund.

This fee is calculated before GST/HST and is expressed as a percentage of the assets under management by us attributable to the series I units or the series O units of the Fund, respectively. A lower fee may apply to larger account balances.

Management fees are calculated, accrued and are payable on the last valuation date of each month, based on the value of your series I units or series O units of the Fund, respectively, on that date. Payment of your management fee may be effected by us redeeming an appropriate number of series I units or series O units that you hold, or you may pay us directly when mutually agreed.

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#### Sales Charges

If you purchase series A units through another dealer then you may pay up to 5% of the total amount of your purchase order to that dealer. Any such sales charge is at the discretion of the dealer.

No sales charges are applicable to series O units, series F units or series I units of the Fund.

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#### Short-Term Trading Fee

We may impose a 2% early withdrawal fee if Units of series of the Fund are redeemed within 90 days of purchase. If this early withdrawal fee is applied, your redemption proceeds will be 98% of

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## Lincluden Balanced Fund

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	the redemption amount you authorized. You may be subject to additional fees and expenses if you redeem Units of a series of the Fund through another dealer.
<b>Registered Plan Fees</b>	None, if you use our registered plans.
<b>Other Fees and Expenses</b>	You may be subject to other fees and expenses if you buy or redeem Units of a series through another dealer.

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### Management Fee Rebate or Distribution Programs

Depending on the size of their investment in the Fund, a holder of series A units may receive a management fee rebate in the form of additional series A units which reduces their management fee to as low as 1.25% per year.

### Dealer Compensation

As manager of the Fund, we may pay a dealer a trailing commission of up to a maximum annual rate of 1.00% of the value of any Series A Units held by the clients of the dealer. Such commission will be calculated monthly based on the month end market value of the dealers' clients' investments in the relevant series of the Fund and will be paid at least quarterly. In addition, we may pay certain of a dealer's marketing and promotional expenses. As well, we may pay a fee to dealers and others (who we have entered into agreements with) to introduce us to clients for our discretionary investment management services or the Fund. These commissions and expenses are paid by us and are not charged to the Fund.

### Income Tax Considerations

The following summarizes the principal Canadian federal income tax considerations with respect to acquiring, owning and disposing of Units of the Fund. This summary only applies to an individual Unitholder (other than a trust) who, for the purposes of the Tax Act, is resident in Canada, deals at arm's length with the Fund and holds the Units of the Fund as capital property.

**This is a general summary and is not intended to be advice to any particular Unitholder. A Unitholder should seek independent advice about the income tax consequences of investing in Units of the Fund, based on the Unitholder's own circumstances.**

This summary is based on the current provisions of the Tax Act, the regulations under the Tax Act, all specific proposals to amend the Tax Act and the regulations announced by the Minister of Finance (Canada) prior to the date hereof and the administrative practices and policies published by the Canada Revenue Agency. This summary assumes that such practices and policies will continue to be applied in a consistent manner. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action. It also does not take into account provincial or foreign income tax legislation or considerations.

## **Lincluden Balanced Fund**

This summary assumes that the Fund will, at all material times, qualify as a mutual fund trust under the Tax Act.

### **Income Tax Considerations for the Fund**

The Fund is a “mutual fund trust” for purposes of the Tax Act. The Fund will generally qualify as a mutual fund trust if, among other things, it has at least 150 Unitholders, each of whom holds not less than one block of units of the class and the units of the class have a fair market value of at least \$500.

In general, the Fund is not subject to income tax under Part I of the Tax Act on such part of its net income for the year, including net realized capital gains, as is paid or payable or deemed to be payable in the year to Unitholders and deducted by the Fund in computing its income. The Fund will make payable (and deduct), in respect of each taxation year, sufficient net income and sufficient net realized capital gains so that it will generally not be liable to income tax under Part I of the Tax Act. Income tax paid by the Fund throughout a taxation year in which it qualifies as a mutual fund trust under the Tax Act on any net realized capital gains not paid or payable to Unitholders is recoverable by the Fund to the extent provided in the Tax Act.

Generally, gains and losses from using derivatives for hedging portfolio securities that are held by the Fund on capital account will be realized on capital account rather than on income account. Note that the Tax Act allows an election, under certain conditions, to realize gains and losses on “eligible derivatives” (as defined in such Tax Amendments) on a mark-to-market basis.

If at any time in a taxation year the Fund is not a mutual fund trust under the Tax Act, the amount of distributions of net realized capital gains to Unitholders in the taxation year and, therefore, the amount required to be included in the income of Unitholders may exceed the amount of distributions of net realized capital gains that would otherwise be required to be made if it qualified as a mutual fund trust.

Net losses incurred by the Fund cannot be allocated to Unitholders but may be deducted by the Fund in future years in accordance with the Tax Act.

The Fund is required to calculate its net income and net realized capital gains in Canadian dollars for purposes of the Tax Act, and may, as a consequence, realize income or capital gains from changes in the value of the U.S. dollar or other relevant currencies relative to the Canadian dollar.

### **Income Tax Considerations for Investors**

#### **1. Units not held in a Registered Plan**

##### **Distributions by the Fund**

If a Unitholder does not hold his or her Units of the Fund in a registered plan, the Unitholder is required to include as part of the Unitholder’s income (in Canadian dollars) for tax purposes all distributions of net income and net taxable capital gains (including amounts deducted therefrom to pay the management fee), if any, paid or payable to the Unitholder by the Fund in a particular year, even though they are reinvested for the Unitholder in additional Units of the same series of the Fund.

## **Lincluden Balanced Fund**

To the extent that distributions to a Unitholder in any year exceed the net income and net realized capital gains of the Fund for the year paid or payable to the Unitholder, such excess distributions will not be taxed in the Unitholder's hands but will reduce the adjusted cost base of the Units of the Fund held by the Unitholder. If the Unitholder's adjusted cost base is reduced to less than zero, a capital gain equal to the negative amount is deemed realized and the adjusted cost base is increased to zero.

The Fund will designate, to the extent permitted by the Tax Act, such portion of the income paid or payable to Unitholders as may reasonably be considered to consist of taxable dividends received by the Fund on shares of taxable Canadian corporations. Any such designated amount will be deemed, for tax purposes, to be a taxable dividend received by Unitholders in the year. The Fund will make similar designations in respect of any net taxable capital gains and in respect of income from foreign sources and foreign taxes paid thereon. Accordingly, where appropriate, dividend and foreign tax credits will apply to distributions from the Fund. You will be advised each year of the composition of amounts payable to you in terms of net income, taxable dividends, net taxable capital gains, foreign income and taxes paid and return of capital, where those items are applicable.

A Unitholder's share of distributions paid by the Fund will be based on the number of Units of the Fund held by the Unitholder on the record date for the distribution regardless of how long the Unitholder has owned Units of the Fund. When a Unitholder buys Units of the Fund, the net asset value of the Units of the Fund, and therefore the price the Unitholder pays for the Units of the Fund, may reflect income and gains that have accrued in the Fund but which have not yet been realized or distributed. When such income and gains are distributed by the Fund, the Unitholder will be required to include the Unitholder's share of the distribution in the Unitholder's income even though some of the distribution the Unitholder receives may be reflected in the purchase price the Unitholder paid for such Units of the Fund. This effect could be particularly significant if the Unitholder purchases Units of the Fund late in the year or just before a record date for a distribution by the Fund.

Unitholders should consult their own tax advisors with respect to the extent to which the fees payable by them to Lincluden may be deductible.

### **Disposition of Units**

When a Unitholder disposes of a Unit of the Fund, including on a deemed disposition or a redemption of the Unit (including a redemption for the purposes of funding a management fee payment), the Unitholder will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of reasonable costs of disposition, exceed (or are less than) the Unitholder's adjusted cost base of the Unit. At any time, the adjusted cost base of a Unit of the Fund will generally be the weighted average cost per Unit of the applicable series of the Fund for all Units of that series of the Fund that the Unitholder owns at that time including any Units of that series of the Fund acquired on a reinvestment of distributions from the Fund.

One half of a capital gain will be included in a Unitholder's income, and one half of a capital loss may be deducted against a Unitholder's taxable capital gains in accordance with and subject to detailed rules in the Tax Act.

Changing one series of Units to another series of Units of the Fund will not result in a disposition for tax purposes, so no capital gain or loss will arise.

## **Lincluden Balanced Fund**

In certain situations where a Unitholder disposes of Units of the Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if the Unitholder, the Unitholder's spouse or another person affiliated with the Unitholder (including a corporation controlled by the Unitholder) has acquired the same Units of the Fund (which are considered to be "substituted property") within 30 days before or after the Unitholder disposes of such Units. In these circumstances, the Unitholder's capital loss may be deemed to be a "superficial loss" and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the Units of the applicable series of the Fund which are substituted property.

### **Minimum Tax**

Individuals and certain trusts and estates are subject to an alternative minimum tax under the Tax Act. Such a liability may arise because of realized capital gains, including capital gains distributed to the Unitholder from the Fund, as well as from taxable dividends.

### **2. Units held in a Registered Plan**

The Fund is a mutual fund trust within the meaning of the Tax Act. As long as the Fund maintains the status as a mutual fund trust, Units of the Fund will continue to be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.

If a Unitholder holds Units of the Fund in a registered plan, the Unitholder will not pay tax on any distributions paid or payable to the registered plan by the Fund in a particular year or on any capital gains realized by the registered plan from redeeming or otherwise disposing of these Units. However, withdrawals from such registered plans are generally taxable (other than from TFSA). However, you or your registered plan (other than from TFSA) may be subject to taxation in respect of an investment in a Fund in certain circumstances, including if the units of a Fund are, at any time, not a qualified investment or are a prohibited investment or are used in a transaction that is a prohibited advantage under the Income Tax Act (Canada) for the registered plan. You should consult your own tax advisor for advice regarding the implications of acquiring, holding and disposing of units of a Fund in your registered plan, including whether or not units of a Fund would be a prohibited investment or whether a particular transaction constitutes a prohibited advantage for your registered plans.

Fees payable by a Unitholder to Lincluden in connection with Units of the Fund held in a registered plan are not deductible.

### **Eligibility for Investment**

The Fund is a "mutual fund trust" within the meaning of the Tax Act. Accordingly, Units of each series of the Fund are qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.

## Lincluden Balanced Fund

### What are your legal rights?

Under securities law in some provinces and territories, you have the right to

- withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.”

For more information, see the securities law of your province or territory or ask a lawyer.

### Additional Information

The Fund may be subject to various conflicts of interest due to the fact that the Manager is engaged in a wide range of management activities and in its capacity as a portfolio manager of the Fund is engaged in a wide range of investment advisory activities. Investment decisions or advice relating to assets of the Fund will be made or furnished, in light of the particular circumstances of the Fund, independently of those made for other clients of the Manager and independently of its own investments, if any. However, the Manager may make the same investment or furnish the same advice for the Fund and one or more of its other accounts.

Due to the particular circumstances of different accounts, a security may be sold for one account and concurrently bought for another. Where there is a limited supply of a security, the Manager intends to use its best efforts to allocate or rotate investment opportunities, but absolute equality cannot be assured. The Manager or its employees may also invest in the same securities as those bought or sold for an account, subject in each case to the personal trading policy of the firm. In some cases, these and other conflicts of interest could adversely affect the Fund.

### Exemptions and Approvals

*Exemption from the prohibition in section 4.2(1) of National Instrument 81-102 Investment Funds.* This requirement relates to the purchase or sale of a class of debt securities by an investment fund from, or to, another investment fund managed by the same manager or an affiliate of the manager.

*Exemption from the prohibition in section 13.5(2)(b)(ii) and (iii) of National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.* These prohibit a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to the investment portfolio of an associate of a responsible person, or from or to the investment portfolio of an investment fund for which a responsible person acts as an adviser.

## **Lincluden Balanced Fund**

Collectively, these exemptions relate to Inter-Fund Trading Relief and In-Specie Transfer Relief. The Manager applied for an exemption for relief for the aforementioned requirements to the Ontario Securities Commission (the "OSC"). On December 10, 2019, the OSC issued a decision in which it stated that it was satisfied that the Manager met the test set out in in the legislation and granted the exemptions.

## Lincluden Balanced Fund

### CERTIFICATE OF THE FUND AND THE MANAGER AND THE PROMOTER OF THE FUND

This Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus as required by the securities legislation of each province and territories of Canada and do not contain any misrepresentation.

Dated: May 4, 2023

By:	<u><i>"Philip R. Evans"</i></u>	By:	<u><i>"Alanna Sinclair-Whitty"</i></u>
	Philip R. Evans President and Chief Executive Officer of Lincluden Investment Management Limited, Manager and Trustee of the Fund		Alanna Sinclair-Whitty Vice-President, Acting in the capacity of Chief Financial Officer of Lincluden Investment Management Limited, Manager and Trustee of the Fund

On behalf of the Board of Directors of Lincluden Investment Management Limited  
as Manager of the Fund

By: *"James D. Lampard"*  
James D. Lampard  
Director

By: *"Bruce Robertson"*  
Bruce Robertson  
Director

On behalf of Lincluden Investment Management Limited  
as Promoter of the Fund

By: *"Glen Pichanick"*  
Glen Pichanick  
Vice-President

## **Lincluden Balanced Fund**

### **CERTIFICATE OF THE PRINCIPAL DISTRIBUTOR OF THE FUND**

To the best of our knowledge, information and belief, this Simplified Prospectus and the documents incorporated by reference into the Simplified Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the Simplified Prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED: May 4, 2023

**LINCLUDEN INVESTMENT MANAGEMENT LIMITED**  
as Distributor of the Fund

By: *"Philip R. Evans"*  
Philip R. Evans, President and  
Chief Executive Officer

## **Lincluden Balanced Fund**

### **Part B**

#### **Specific Information about the Lincluden Balanced Fund**

##### **Part B Introduction**

#### **What is a Mutual Fund and What Are the Risks of Investing in a Mutual Fund?**

##### **What is a Mutual Fund?**

A mutual fund is an investment vehicle created to permit money contributed by people with similar investment objectives to be pooled. People who contribute money become unitholders of the mutual fund. Mutual fund unitholders share the mutual fund's income, expenses, and the gains and losses the mutual fund makes on its investments in proportion to the units they own. The value of an investment in a mutual fund is realized by redeeming the units held.

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. Under exceptional circumstances, the Fund may suspend redemptions. Please refer to "Redemptions" for more information.

Lincluden Investment Management Limited ("Lincluden" or the "Manager"), the manager of the Fund, does not guarantee that the full amount of your original investment in the Fund will be returned to you. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

To address the different investment needs of different types of investors, the Fund offers series A units, series F units, series I units and series O units (each a "Unit"). Each series of Units represents an investment in the same investment portfolio of the Fund, but each series of Units may have a different management fee and expenses that are attributable to it. As a result, a separate net asset value is calculated for each series of Units of the Fund.

## **Lincluden Balanced Fund**

### **What are the General Risks of Investing in Mutual Funds?**

Everyone has a different tolerance for risk. Some individuals are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals. The risks associated with investing in a mutual fund are the risks associated with the securities in which the mutual fund invests. These risks are:

#### **Stock market risk**

The value of most securities, in particular equity securities, changes with stock market conditions. These conditions are affected by general economic and market conditions.

#### **Specific issuer risk**

The value of securities will vary positively and negatively with developments within the specific companies or governments that issue the securities.

#### **Interest rate risk**

The value of fixed income securities will generally rise if interest rates fall, and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

#### **Liquidity risk**

Liquidity risk is the possibility that a mutual fund will not be able to convert its investments to cash when it needs to.

#### **Credit risk**

The value of fixed income securities depends, in part, on the perceived ability of the government or company that issued the securities to pay the interest and to repay the original investments. Securities issued by issuers that have a low credit rating are considered to have a higher credit risk than securities issued by issuers which have a high credit rating.

#### **Foreign securities risk**

The value of foreign securities will be affected by factors affecting other similar securities (such as stock market risk, specific issuer risk, interest rate risk and credit risk) and could be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As

## **Lincluden Balanced Fund**

well, different financial, political and social factors in foreign countries may result in risks not typically associated with investing in Canada.

### **Currency risk**

The value of a security denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

### **ADR risk**

The value of American Depository Receipts (“ADRs”) will not be equal to the value of the underlying non-U.S. securities to which the ADR relates because of factors including the fees and expenses associated with holding an ADR, currency exchange and tax considerations. As well, the rights of the holder of an ADR may be different than the rights of the holders of the underlying securities and the market for an ADR may be less liquid than that of the underlying securities.

### **Derivatives risk**

Derivatives may be used to protect against losses from changes in stock prices, exchange rates or market indices. This is referred to as *hedging*. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments, indexes or currencies. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Depending on the type of derivative employed in the hedging strategy a mutual fund may be subject to a number of risks related to the strategy. Some of the risks are:

- there is no guarantee that a mutual fund will be able to buy or sell a derivative at the right time to make a profit or limit a loss;
- there is no guarantee that the other party in the contract will live up to its obligations; and
- if a Fund enters into a derivative contract with a party that goes bankrupt, the mutual fund could lose any deposits that it made with the other party as part of the contract.

### **Multi-Series risk**

The Fund issues multiple series of Units. Each series has its own fees and expenses that are tracked separately. If, however, there are insufficient assets attributable to a series to pay that series’ expenses, the other series of the Fund are responsible for making up the difference. This is because the Fund as a whole is legally responsible for the financial obligations of all series of its Units.

When you are making your investment decisions, it is very important that you are completely aware of the different investment types, their risks, their relative return over time and their volatility.

## **Lincluden Balanced Fund**

### **Cybersecurity risk**

With the increased use of technology in the course of business, portfolio managers and funds like the Fund have become potentially more susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause a fund to lose operational capacity, suffer data corruption or lose proprietary information or other information subject to privacy laws. In turn, such breaches in cybersecurity could cause a portfolio manager or a fund to experience disruptions to business operations, incur reputational damage, regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity breaches may involve, among other things, unauthorized access to a portfolio manager or fund's digital information systems through malicious software coding (eg "hacking"), or could result from outside attacks that attempt to make network services unavailable to intended users (eg denial-of-service attacks). In addition, cybersecurity breaches of a manager's or a fund's third-party service provider, such as a custodian, administrator, sub-advisor or transfer agent, or issuers that a fund may invest in can also subject a fund to many of the same risks associated with direct cybersecurity breaches described above. The Manager has established risk management systems to prevent or reduce the risks associated with cybersecurity breaches. However, there is no guarantee that these systems will succeed. Further, the Manager does not directly control the cybersecurity risk management systems of third-party service providers or issuers in which the Fund invests.

### **Tax risk**

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S (the "IGA") and Part XVIII of the Tax Act, Canadian foreign financial institutions ("FFIs"), including the Fund, must comply with certain due diligence and reporting obligations on "U.S. Reportable Accounts" from July 1, 2014 onwards. Annual information reporting obligations to the CRA start in 2015. Information provided to the CRA regarding U.S. Reportable Accounts will be exchanged by the CRA with the U.S. Internal Revenue Service in accordance with the provisions of the Canada-U.S. IGA. A Canadian FFI that complies with the requisite due diligence and reporting requirements of the Canada-U.S. IGA will generally be relieved from certain obligations that would otherwise have been applicable under FATCA, including the obligation to withhold on payments to, or to close accounts of, individual account holders who do not provide requested information to permit the FFI to establish whether they are U.S. Reportable Accounts.

The Fund has registered with the U.S. Internal Revenue Service.

Part XIX of the Tax Act implement the Common Reporting Standard ("CRS") developed by the Organization for Economic Co-operation and Development ("OECD"). The CRS legislation would require the Fund to report similar information in connection with other jurisdictions. Effective July 1, 2017, the Fund is required to have procedures in place to identify accounts held by non-residents and to report the required information to the Canada Revenue Agency. Such information would be exchanged on a reciprocal bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard and in which the account holders or such controlling persons are resident.

## **Lincluden Balanced Fund**

The Tax Act contains “loss restriction event” (“LRE”) rules that could potentially apply to certain trusts including the Fund. In general, a LRE occurs to a Fund if a person (or group of persons) acquires more than 50% of the fair market value of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to Unitholders of the Fund, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of these LRE rules in most circumstances if the Fund is an “investment fund” which requires the Fund to satisfy certain investment diversification rules.

When you are making your investment decisions, it is very important that you are completely aware of the different investment types, their risks, their relative return over time and their volatility.

## Lincluden Balanced Fund

### Fund Details

<b>Type of Fund:</b>	Balanced
<b><i>Start-up Date:</i></b>	Series F, I and O: September 29, 2000 Series A: July 20, 2007
<b><i>Securities Offered:</i></b>	Series A units, Series F units, Series I units and Series O units
<b><i>Registered Tax Plan Status:</i></b>	Qualified as an investment for RRSPs, RRIFs, DPSPs, RESPs, LIFs, LRIFs, LIRAs and TFSA's.

### What does the Fund Invest in?

#### Investment Objective

The investment objective of the Fund is to generate both capital appreciation (growth) and income, while maintaining a relatively low level of risk. To achieve its objective, 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 Fund might, from time to time, invest in other securities, including other mutual funds, in accordance with its investment objectives, investment strategies and the requirements of National Instrument 81-102 Mutual Funds.

Unitholder approval is required prior to a change of the fundamental investment objectives of the Fund.

#### Investment Strategies

Our investment philosophy is broadly defined as value oriented. The philosophy is consistently applied at the asset mix level and within each asset class.

Equity management is fundamentally driven in order to identify securities that are trading at a substantial discount to our appraisal of their fair value. We screen a broad universe of Canadian, U.S. and international stocks across the capitalization spectrum in our search for securities which are undervalued. The broader economic, capital market and sector factors at work receive less weight in our analysis than company-specific information. The Fund invests in a wide variety of industries and companies in order to reduce risk through diversification.

The fixed income management approach is based on the view that the economy and financial markets behave in a cyclical fashion and that markets are not always efficient in recognizing relative value and risk. We are committed to structuring a portfolio that achieves the most efficient combination of the duration, credit, yield curve and foreign-pay exposure variables from a long term, risk-reward perspective. The term to maturity decision reflects an analysis of current interest rates relative to anticipated inflation. Security

## **Lincluden Balanced Fund**

selection decisions reflect a thorough assessment of a detailed credit analysis of the issuer. Corporate bonds generally represent a significant part of the Fund's portfolio.

The balance between fixed income and equity investments will depend on relative valuations in the financial markets. The Fund will normally invest between 40% and 70% of its assets in stocks and between 30% and 60% in fixed income securities. We anticipate that over the long term equity exposure will average 60% and fixed income exposure 40% in order to achieve a balance of growth and income, though these percentages will vary from time to time. It is expected that foreign exposure will not exceed 45% of the assets. The Fund anticipates that its exposure to cash and cash equivalents will not exceed 15% of its assets. However, that range may be exceeded for short periods of time if the Fund experiences significant increases in net contributions over a short period of time, for defensive purposes, for rebalancing purposes or for purposes of a merger or other restructuring transactions.

The Fund may use derivatives to hedge certain risk exposures. Specifically, the Fund may enter into forward foreign exchange contracts with the intention to offset or reduce exchange rate risks associated with investments in the Fund. Please see "Use of Derivatives" under "Policies and Practices" for more details.

### **Investment Restrictions**

Except as described below, the Fund is subject to, and is managed in accordance with, the standard investment restrictions and practices contained in securities legislation, including those prescribed by National Instrument 81-102 Mutual Funds of the Canadian securities regulatory authorities. These restrictions and practices have been designed by the regulatory authorities in part to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds.

The prior approval of the holders of Units of each series of the Fund (the "Unitholders") is required for any change in the fundamental investment objective of the Fund.

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) (the "Tax Act") and will conduct its affairs to maintain such status. Accordingly, Units of each series of the Fund are qualified investments under the Tax Act for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and tax-free savings accounts.

The IRC of the Fund under NI 81-107 has approved standing instructions to permit Inter-Fund Trading and In Specie Transfers. Accordingly, the Manager has obtained exemptive relief to permit, subject to certain conditions, the Fund to engage in inter-fund trades or in specie transfers from or to other funds managed by the Manager and/or a managed account of Lincluden. See Approvals and Exemptions in Part A.

### **Description of Securities Offered by the Mutual Fund**

The interest of each investor in Units of a series of the Fund is equal to the number of Units of that series of the Fund registered in the name of the Unitholder. There is no limit to the number of Units of a series of the Fund that can be issued and there is no fixed issue price.

## Lincluden Balanced Fund

Each Unit of each series of the Fund is entitled to the following:

- one vote at all meetings of Unitholders of that series of the Fund;
- to participate equally in the distribution of the net income and the net realized capital gains of the Fund; and
- upon liquidation of the Fund, to participate equally in the net assets of that series of the Fund remaining after the satisfaction of any outstanding liabilities of that series of the Fund.

Fractional Units of a series of the Fund may be issued and carry the rights and privileges of, and are subject to the restrictions and conditions applicable to, whole Units in the proportion which they bear to one Unit. However, a fractional Unit of a series of the Fund does not confer the right to vote.

Units of a series of the Fund are transferable upon compliance with any reasonable requirements as the Trustee may prescribe and are redeemable upon request. Units of a series of the Fund may be subdivided or consolidated upon prior notice to the Unitholders of the Fund. No certificates are issued for Units of a series of the Fund.

The Fund does not hold regular meetings. However, a meeting will be called and Unitholders of a series of the Fund will be permitted to vote on the following matters:

1. any change in the basis of calculating the fees or other expenses that are charged to that series of the Fund which could result in an increase in charges to that series of the Fund;
2. a change in the trustee and manager of the Fund (other than to an affiliate of Lincluden);
3. any change in the fundamental investment objective of the Fund;
4. any decrease in the frequency of calculating the net asset value per unit of that series of the Fund;
5. transferring assets to or from another fund; and
6. reorganizing the Fund with another fund.

Unitholder approval of the above matters will be given by a resolution passed by at least a majority of the votes cast at a meeting duly called and held, other than a change of the Manager which requires approval of two-thirds of the votes cast.

## **Lincluden Balanced Fund**

### **Name, Formation and History of the Fund**

The Fund is a trust and is governed under the laws of Ontario by an amended and restated declaration of trust (the "Trust Agreement") dated April 17, 2007, whereby Lincluden acts as the manager and trustee of the Fund. The start date of the Fund is March 2, 2000. The start date of the Series F, I and O units of the Fund is September 29, 2000, and the start date of the Series A units is July 20, 2007.

The head office of the Fund and the Manager is 201 City Centre Drive, Suite 201, Mississauga, Ontario L5B 2T4.

### **Risks**

#### **What Are the Risks of Investing in the Fund?**

The following risks may be associated with an investment in the Fund:

- Stock market risk
- Specific issuer risk
- Interest rate risk
- Liquidity risk
- Credit risk
- Foreign securities risk
- Currency risk
- ADR risk
- Derivatives risk
- Multi-Series risk
- Cybersecurity risk
- Tax risk

Please see the section above titled "What are the General Risks of Investing in Mutual Funds?" for a detailed description of these mutual fund risks.

#### **Investment Risk Classification Methodology**

The investment risk level of this mutual fund is required to be determined in accordance with a standardized risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund. Standard deviation is a common statistic used to measure the volatility and risk of an investment. Funds with higher standard deviations are generally classified as being more risky. Essentially, the greater the dispersion of the Fund's performance from its mean for the period, the greater the Fund's volatility. It is important to recognize that historical performance may not be indicative of future returns and a fund's historical volatility may not be an indication of its future volatility.

## Lincluden Balanced Fund

The risk classification is reviewed on an annual basis or more frequently if there is a material change in the Fund's risk profile that may affect its classification, or a change in the Fund's investment objective or investment strategy.

The standardized risk classification methodology used to identify the investment risk level of the mutual fund is available on request, at no cost, by calling 1-844-373-4240 or by writing to:

Lincluden Investment Management Limited  
201 City Centre Drive, Suite 201  
Mississauga, ON L5B 2T4

We assign an investment risk rating to the Fund, under the categories of low, low-to-medium, medium, medium-to-high, or high risk. **We have classified the Fund's risk level as low-to-medium.**

### Additional Information

#### Who Should Invest in the Fund?

The Fund is designed for the more conservative long-term investor seeking investments in both the equity and fixed income markets. The Fund is suitable for individuals with a medium tolerance for risk, who are at ease investing in stocks and bonds and who are looking for income and capital gains. In considering risk tolerance, the investor should consider both their willingness and ability to assume risk; with risk being considered in terms of variability of returns and safety of capital.

#### Distribution Policy

Each calendar year, the Fund distributes net income and net realized capital gains to unitholders of the Fund to the extent necessary to ensure the Fund does not pay ordinary income tax. Distributions of income may be made periodically throughout the year on a schedule to be determined by the Manager. Distributions of capital gains are normally made in December of each year. At a minimum, the Fund will effect the distribution on the last business day of the year. Distributions of the Fund will be automatically reinvested in Units of the applicable series of the Fund.

# Lincluden Balanced Fund

## Glossary

### **American Depository Receipts (“ADRs”)**

ADRs are issued by a depository that evidences a beneficial interest in securities of an issuer that are held on deposit by the depository.

### **Balanced Fund**

A mutual fund that invests in bonds, stocks and short-term securities where professional investment counsellors determine the mix of such securities according to their assessment of the future investment outlook and relative valuations.

### **Bond**

A certificate evidencing a debt on which the issuer promises to pay the holder a specified amount of interest for a specified length of time, and to repay the loan at maturity.

### **Common Share**

Securities representing ownership in a company and generally carrying voting privileges.

### **Custodian**

Usually a bank or trust company that holds the cash and securities of a mutual fund for safekeeping.

### **Diversification**

The practice of buying different types of investments and different securities to reduce risk.

### **Equities or Equity Securities**

Common and preferred shares, representing ownership in a corporation.

### **Investment Counsellor**

A professional engaged to provide portfolio management services to a mutual fund.

### **Liquidity**

The ability to sell securities for cash at a reasonable price in a reasonable length of time.

## **Lincluden Balanced Fund**

### **Money Market**

That part of the capital market where short-term financial obligations are bought and sold. These include government treasury bills, commercial paper and other debt securities with maturities of less than one year.

### **Mutual Fund**

Mutual funds pool money from many investors and invest it in securities according to the stated objectives of the fund. Professional investment counsellors invest the money on behalf of the investors in securities such as stocks, bonds and money market instruments.

### **Net Asset Value**

The market value of the securities held in a mutual fund plus any current assets less any current liabilities.

### **No-load Fund**

A mutual fund that does not charge a commission or fee for buying or selling its units.

### **Portfolio**

All of the securities owned by a mutual fund.

### **Registered Retirement Income Fund (RRIF)**

A maturity option available for RRSP assets to provide a stream of income at retirement.

### **Registered Retirement Savings Plan (RRSP)**

A tax deferred retirement plan that allows individuals who have not yet reached age 71 to set aside sums of money within limits. These sums are deductible from taxable income and compound within the plan on a tax-free basis.

### **Simplified Prospectus**

A legal document that describes securities of a mutual fund being offered for sale. It contains important information to help you make informed investment decisions. All mutual fund investors are required to receive a simplified prospectus.

### **Treasury Bill**

Short term government debt, issued at a discount and maturing at par value. The difference between the issue price and the par value represents the return to be received by an investor.

## **Lincluden Balanced Fund**

### **Trustee**

The entity responsible for overseeing the assets of a mutual fund in trust for the unitholders of the fund. The Declaration of Trust details the general powers of the Trustee. The powers of the Trustee of the Fund include appointing a custodian and a registrar.

### **Valuation Day**

The date on which a net asset value per unit is determined for a mutual fund.

## **Lincluden Balanced Fund**

Additional information about the Lincluden Balanced Fund is available in the Fund's Fund Facts document, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents, including a statement of portfolio transactions, at your request, and at no cost, by calling 1-844-373-4240 or from your dealer.

These documents and other information about the Fund, such as information circulars and material contracts, are also available at [www.lincluden.com](http://www.lincluden.com) or [www.sedar.com](http://www.sedar.com).

### **Lincluden Investment Management Limited**

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