



Interim Financial Statements

Lincluden Balanced Fund

Unaudited

For the periods ended June 30, 2018 and 2017

Notice to Investors

The following semi-annual financial statements have not been reviewed by the independent external auditors of the Fund, KPMG LLP.

Statements of Financial Position

As at	June 30, 2018	December 31, 2017
	\$	\$
ASSETS		
Non-derivative financial assets [note 8]	83,518,728	91,620,922
Cash	1,087,180	1,263,436
Receivable for investments sold	1,814,760	-
Interest receivable	152,613	160,514
Dividends receivable	207,647	160,070
Prepaid expenses	34,857	-
Total assets	86,815,785	93,204,942
LIABILITIES		
Redemptions payable	74,663	-
Accrued management fees	43,633	8,700
Other accrued expenses	40,601	8,715
Total liabilities	158,897	17,415
Net assets attributable to holders of redeemable units	86,656,888	93,187,527
Net assets attributable to holders of redeemable units per class		
Series A	950,213	995,791
Series O	30,328,118	34,315,114
Series F	55,378,556	57,876,622
Units outstanding by Series [note 5]		
Series A	59,125	62,076
Series O	1,789,192	2,026,372
Series F	3,290,426	3,442,518
Net assets attributable to holders of redeemable units per unit [note 3]		
Series A	\$ 16.07	16.04
Series O	\$ 16.95	16.93
Series F	\$ 16.83	16.81

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

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



Adam Morin
Vice President



Phil Evans
President & CEO

Statements of Comprehensive Income

For the periods ended June 30	2018	2017
	\$	\$
INCOME		
Interest income for distribution purposes	456,527	481,620
Dividend income	911,497	964,410
Other income	10,510	3,139
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on investments	2,637,368	1,140,150
Net realized gain (loss) on derivatives		(366)
Net foreign exchange gain (loss) on cash	(50,830)	(35,093)
Net other gain (loss)	29,864	(39,626)
Change in unrealized on foreign exchange gain (loss) on cash	14,979	(12,356)
Change in unrealized appreciation (depreciation) of investments and derivatives	(2,528,035)	(2,023,741)
	1,481,880	478,137
EXPENSES <i>[note 6]</i>		
Management fees	78,188	9,631
Audit fees	14,575	11,813
Custodial and administrative fees	12,249	12,487
Independent review committee fees	17,500	17,500
Recordkeeping and Accounting	51,300	53,808
Commissions and other portfolio transaction costs	16,267	19,135
Withholding expenses	64,458	79,711
Operating fees	22,444	23,193
Harmonized sales tax	10,949	12,855
	287,931	240,133
Expenses waived or absorbed by manager <i>[note 6]</i>	(71,492)	(104,546)
	216,439	135,588
Increase in net assets attributable to holders of redeemable units	1,265,441	342,550
Increase in net assets attributable to holders of redeemable units per class		
Series A	5,770	(6,313)
Series O	459,961	348,863
Series F	799,710	-
Increase in net assets attributable to holders of redeemable units per unit		
Series A	\$ 0.09	\$ (0.09)
Series O	\$ 0.25	\$ 0.06
Series F	\$ 0.24	\$ -

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

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

For the periods ended June 30

Series A	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	995,791	1,195,695
Increase in net assets attributable to holders of redeemable units	\$ 5,770	\$ (6,313)
Distributions paid or payable to holders of redeemable units		
From net investment income	(4,046)	(5,465)
Total distributions to holders of redeemable units	(4,046)	(5,465)
Redeemable unit transactions <i>[note 5]</i>		
Amount received from the issuance of units	-	1,316
Amount received from reinvestment of distributions	4,046	5,465
Amount paid on redemptions of units	(51,348)	(129,120)
Net increase (decrease) from redeemable unit transactions	(47,302)	(122,339)
Net increase (decrease) in net assets attributable to holders of redeemable units	(45,578)	(134,117)
Net assets attributable to holders of redeemable units at end of period	\$ 950,213	\$ 1,061,578
Series O	2018	2017
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	34,315,114	93,483,475
Increase in net assets attributable to holders of redeemable units	\$ 459,961	\$ 348,863
Distributions paid or payable to holders of redeemable units		
From net investment income	(455,599)	(1,363,872)
Total distributions to holders of redeemable units	(455,599)	(1,363,872)
Redeemable unit transactions <i>[note 5]</i>		
Amount received from the issuance of units	88,936	2,089,093
Amount received from reinvestment of distributions	455,599	1,363,872
Amount paid on redemptions of units	(4,535,893)	(4,949,496)
Net increase (decrease) from redeemable unit transactions	(3,991,358)	(1,496,531)
Net increase (decrease) in net assets attributable to holders of redeemable units	(3,986,996)	(2,511,540)
Net assets attributable to holders of redeemable units at end of period	\$ 30,328,118	\$ 90,971,935
Series F	2018	2017
Net assets attributable to holders of redeemable units at beginning of period	57,876,622	-
Increase in net assets attributable to holders of redeemable units	\$ 799,710	\$ -
Distributions paid or payable to holders of redeemable units		
From net investment income	(740,489)	-
Total distributions to holders of redeemable units	(740,489)	-
Redeemable unit transactions <i>[note 5]</i>		
Amount received from the issuance of units	607,505	-
Amount received from reinvestment of distributions	740,489	-
Amount paid on redemptions of units	(3,905,281)	-
Net increase (decrease) from redeemable unit transactions	(2,557,287)	-
Net increase (decrease) in net assets attributable to holders of redeemable units	(2,498,066)	-
Net assets attributable to holders of redeemable units at end of period	\$ 55,378,556	\$ -

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

Lincluden Balanced Fund

Statements of Cash Flows

For the periods ended June 30

	2018	2017
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,265,441	\$ 342,550
Adjustments for:		
Change in unrealized on foreign exchange gain (loss) on cash	(14,979)	12,356
Net realized (gain) loss on sale of investments	(2,637,368)	(1,140,150)
Net change in unrealized (appreciation) depreciation of investments and derivatives	2,528,035	2,023,741
Purchase of investments	(15,775,500)	(15,386,556)
Proceeds from the sale and maturity of investments	22,172,267	17,431,924
Interest receivable	7,901	18,123
Dividends receivable	(47,577)	(36,685)
Prepaid expenses	(34,857)	-
Other liabilities	66,819	(6,558)
	<u>7,530,182</u>	<u>3,258,745</u>
Financing activities		
Amount received from the issuance of units	696,439	2,049,480
Amount paid on redemptions of units	(8,417,858)	(5,046,684)
Distributions paid to unitholders	2	1
	<u>(7,721,417)</u>	<u>(2,997,203)</u>
Change in unrealized on foreign exchange gain (loss) on cash	14,979	(12,356)
Increase (decrease) in cash during the period	(191,235)	261,542
Cash at beginning of period	1,263,436	389,658
Cash at end of period	1,087,180	638,844
Interest received	464,428	499,743
Dividends received, net of withholding taxes	799,462	848,014

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

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
COMMON SHARES — 57.70%			
CANADIAN EQUITIES — 29.30%			
Capital Goods — 0.00%			
Exco Technologies Ltd.	2,925	33,697	26,003
Superior Plus Corp.	2,250	23,429	28,598
		57,126	54,601
Consumer Discretionary — 0.40%			
Magna International Inc.	3,085	111,096	235,879
Martinrea International Inc.	2,615	22,722	36,871
Pizza Pizza Royalty Corp.	3,130	52,076	38,343
Uni-Select Inc.	1,615	34,130	33,770
		220,024	344,863
Consumer Staples — 1.70%			
Alimentation Couche-Tard Inc., Class 'B'	8,640	467,713	493,430
Corby Spirit and Wine Ltd.	1,845	39,729	38,155
Metro Inc., Class 'A'	5,625	193,100	251,381
North West Co. Inc. (The)	23,205	616,142	680,371
		1,316,684	1,463,337
Energy — 6.00%			
Birchcliff Energy Ltd.	5,845	30,215	28,173
Bonterra Energy Corp.	2,105	34,405	35,953
Canadian Natural Resources Ltd.	13,035	387,501	618,511
Cenovus Energy Inc.	129,100	1,914,106	1,762,215
Ensign Energy Services Inc.	64,080	455,749	376,150
Husky Energy Inc.	78,239	1,253,279	1,603,117
Pason Systems Inc.	19,525	312,167	420,178
Peyto Exploration & Development Corp.	2,240	34,756	22,669
Pulse Seismic Inc.	12,630	38,331	33,848
Suncor Energy Inc.	4,755	157,045	254,392
TORC Oil & Gas Ltd.	5,550	31,635	40,737
		4,649,189	5,195,943
Financial Services — 11.20%			
Bank of Montreal	4,750	318,715	482,695
Bank of Nova Scotia	22,620	1,259,606	1,683,833
Canadian Imperial Bank of Commerce	10,455	987,684	1,195,634
CI Financial Corp.	7,720	220,522	182,424
Dream Industrial REIT	3,570	23,016	36,842
Genworth MI Canada Inc.	515	20,035	22,032
Gluskin Sheff + Associates Inc.	26,010	405,450	427,084
Home Capital Group Inc.	34,415	1,069,862	516,569

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Intact Financial Corp.	5,265	452,143	490,961
InterRent REIT	2,800	21,934	30,800
Laurentian Bank of Canada	895	42,481	40,150
Manulife Financial Corp.	16,665	300,162	393,627
Plaza Retail REIT	6,330	27,817	27,599
Royal Bank of Canada	19,100	1,241,700	1,890,709
Sun Life Financial Inc.	4,285	157,411	226,376
Toronto-Dominion Bank (The)	26,420	1,207,545	2,010,298
Tricon Capital Group Inc.	3,105	35,696	34,248
		7,791,779	9,691,881
Industrials — 1.70%			
Badger Daylighting Ltd.	1,035	26,997	32,778
Bird Construction Inc.	123,780	1,048,809	898,643
Richelieu Hardware Ltd.	18,370	554,145	503,522
Russel Metals Inc.	895	27,125	24,049
		1,657,076	1,458,992
Information Technology — 3.40%			
Calian Technologies Ltd.	500	14,018	15,625
Celestica Inc.	1,815	23,822	28,368
CGI Group Inc., Class 'A'	12,725	602,111	1,060,120
Computer Modelling Group Ltd.	101,385	940,975	1,023,988
Constellation Software Inc.	798	315,474	813,601
		1,896,400	2,941,702
Materials — 2.40%			
Cascades Inc.	1,225	8,725	14,418
CCL Industries Inc., Class 'B'	14,430	828,318	930,013
Hudbay Minerals Inc.	4,635	27,974	33,975
Intertape Polymer Group Inc.	2,410	55,468	43,549
Nutrien Ltd.	2,776	169,330	198,540
Stella-Jones Inc.	17,435	702,772	834,962
		1,792,587	2,055,457
Telecommunications Services — 1.20%			
BCE Inc.	11,995	546,972	638,614
Rogers Communications Inc., Class 'B'	3,280	140,946	204,803
TELUS Corp.	4,695	189,493	219,256
		877,411	1,062,673
Transportation — 1.30%			
Canadian National Railway Co.	10,515	792,131	1,130,678
Horizon North Logistics Inc.	12,560	36,238	33,033
		828,369	1,163,711

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
TOTAL CANADIAN EQUITIES		21,086,645	25,433,160
UNITED STATES EQUITIES — 16.50%			
Consumer Discretionary — 0.80%			
Dollar General Corp.	3,295	377,719	427,113
Lowe's Cos. Inc.	2,390	250,935	300,282
		628,654	727,395
Consumer Staples — 2.40%			
Coca-Cola Co. (The)	8,400	432,014	484,349
Procter & Gamble Co. (The)	4,201	362,528	431,113
Walgreens Boots Alliance Inc.	6,911	560,383	545,269
Walmart Inc.	5,268	410,290	593,175
		1,765,215	2,053,906
Energy — 1.40%			
Chevron Corp.	2,715	327,731	451,263
Devon Energy Corp.	5,927	230,032	342,533
Exxon Mobil Corp.	4,199	411,090	456,688
		968,853	1,250,484
Financial Services — 4.70%			
American International Group Inc.	5,765	339,639	401,836
Bank of America Corp.	12,598	220,894	466,882
Citigroup Inc.	7,244	404,040	637,301
Federal Realty Investment Trust	3,375	510,925	561,495
JPMorgan Chase & Co.	3,378	220,680	462,740
MetLife Inc.	7,247	378,744	415,389
Morgan Stanley	7,658	217,095	477,204
Washington Prime Group Inc.	27,255	400,026	290,588
Wells Fargo & Co.	5,268	255,592	383,954
		2,947,635	4,097,389
Health Care — 1.50%			
Johnson & Johnson	2,882	306,987	459,736
Pfizer Inc.	7,986	258,523	380,896
Zimmer Biomet Holdings Inc.	3,131	354,405	458,706
		919,915	1,299,338
Industrials — 1.00%			
Honeywell International Inc.	4,446	452,505	841,962
		452,505	841,962
Information Technology — 3.20%			

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Cisco Systems Inc.	17,619	608,592	996,696
Corning Inc.	16,466	346,816	595,510
Microsoft Corp.	5,269	267,714	683,061
Oracle Corp.	7,903	334,335	457,769
		1,557,457	2,733,036
Materials — 0.60%			
DowDuPont Inc.	5,765	515,836	499,605
		515,836	499,605
Telecommunications Services — 0.90%			
Verizon Communications Inc.	12,268	670,374	811,406
		670,374	811,406
TOTAL UNITED STATES EQUITIES		10,426,444	14,314,521
INTERNATIONAL EQUITIES — 11.90%			
Austria — 0.20%			
AMS AG	2,110	239,344	206,664
		239,344	206,664
France — 2.60%			
AXA, ADR	13,090	405,595	419,119
Orange SA, ADR	28,653	603,480	627,937
Sanofi SA, ADR	6,257	317,343	329,113
Total SA, ADR	3,790	230,206	301,742
Vinci SA	4,775	358,224	603,765
		1,914,848	2,281,676
Germany — 2.60%			
Deutsche Boerse AG	2,140	186,214	375,032
Henkel AG & Co. KGaA	3,951	424,677	577,764
SAP SE, ADR	3,543	308,625	538,722
Siemens AG, ADR	8,891	601,387	770,100
		1,520,903	2,261,618
Hong Kong — 0.40%			
China Mobile Ltd., ADR	5,515	368,490	321,841
		368,490	321,841
Japan — 0.70%			
Nissan Motor Co. Ltd.	26,500	310,996	339,210
SECOM Co. Ltd.	2,570	184,053	259,605
		495,049	598,815

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Netherlands — 1.50%			
Akzo Nobel NV	2,965	240,765	333,754
ING Groep NV, ADR	24,951	437,572	469,722
Royal Dutch Shell PLC, ADR, Class 'A'	5,270	336,173	479,640
		1,014,510	1,283,116
Sweden — 0.30%			
Nordea Bank AB	19,265	248,784	243,971
		248,784	243,971
Switzerland — 0.80%			
ABB Ltd., ADR	13,174	287,982	377,039
Nestlé SA, ADR, Registered	2,962	216,367	301,512
		504,349	678,551
United Kingdom — 2.80%			
GlaxoSmithKline PLC, ADR	11,283	575,146	597,926
National Grid PLC	23,254	377,825	338,260
Reckitt Benckiser Group PLC	5,845	661,269	632,705
Unilever PLC	7,410	444,893	538,941
Vodafone Group PLC, ADR	9,305	393,273	297,380
		2,452,406	2,405,212
TOTAL INTERNATIONAL EQUITIES		8,758,683	10,281,464
TOTAL EQUITIES		40,271,772	50,029,145
BONDS — 38.20%			
Government of Canada — 10.50%			
Government of Canada, 1.750%, 01/09/19	580,000	591,815	579,648
Government of Canada, 0.750%, 01/03/21	3,720,000	3,726,838	3,602,313
Government of Canada, 2.250%, 01/06/25	4,370,000	4,550,588	4,402,701
Government of Canada, 1.000%, 01/06/27	550,000	487,883	498,684
		9,357,124	9,083,346
Provincial Government — 11.40%			
Province of Alberta, 2.350%, 01/06/25	275,000	273,260	269,648
Province of British Columbia, 3.250%, 18/12/21	865,000	939,510	892,208
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	314,848
Province of New Brunswick, 3.650%, 03/06/24	235,000	258,930	247,427
Province of Ontario, 3.150%, 02/06/22	4,380,000	4,665,835	4,498,567
Province of Ontario, 3.500%, 02/06/24	480,000	538,589	503,032
Province of Ontario, 2.600%, 02/06/25	375,000	385,534	372,995

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Province of Quebec, 4.250%, 01/12/21	1,115,000	1,267,668	1,185,281
Province of Quebec, 3.750%, 01/09/24	260,000	296,666	276,898
Province of Quebec, 2.750%, 01/09/25	1,135,000	1,181,894	1,141,455
Province of Saskatchewan, 3.200%, 03/06/24	165,000	176,342	170,325
		10,307,278	9,872,684
Municipal Government — 0.00%			
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	38,616
		40,286	38,616
Corporate Bonds — 16.30%			
407 International Inc., Callable, 4.300%, 26/05/21	245,000	274,694	255,954
407 International Inc., Callable, 2.430%, 04/05/27	65,000	64,976	62,117
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	129,785
AltaGas Ltd., Callable, 3.570%, 12/06/23	85,000	85,190	85,827
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	61,556
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	176,343
Bank of Montreal, 1.880%, 31/03/21	265,000	266,054	259,394
Bank of Montreal, Callable, 3.400%, 23/04/21	50,000	53,394	50,940
Bank of Montreal, 2.270%, 11/07/22	510,000	505,589	499,173
Bank of Montreal, 2.700%, 11/09/24	105,000	104,986	103,191
Bank of Nova Scotia, 2.873%, 04/06/21	460,000	480,335	461,845
Bank of Nova Scotia, 2.360%, 08/11/22	395,000	394,945	386,526
Bank of Nova Scotia, 2.980%, 17/04/23	305,000	304,915	305,576
Bank of Nova Scotia, 2.290%, 28/06/24	125,000	124,992	120,061
Bell Canada, Callable, 3.540%, 12/06/20	180,000	187,080	183,044
Bell Canada, Callable, 3.150%, 29/09/21	285,000	296,544	287,382
Bell Canada, Callable, 2.700%, 27/02/24	80,000	79,909	77,780
Bell Canada, Callable, 3.550%, 02/03/26	190,000	190,064	191,168
Cameco Corp., Series 'D', Callable, 5.670%, 02/09/19	105,000	113,534	108,046
Cameco Corp., Series 'E', 3.750%, 14/11/22	135,000	138,701	133,735
Cameco Corp., Callable, 4.190%, 24/06/24	100,000	100,916	99,342
Canadian Imperial Bank of Commerce, 1.850%, 14/07/20	305,000	305,679	300,754
Canadian Imperial Bank of Commerce, 1.900%, 26/04/21	140,000	140,239	137,110
Canadian Imperial Bank of Commerce, 2.040%, 21/03/22	85,000	84,972	82,768
Canadian Imperial Bank of Commerce, 2.470%, 05/12/22	470,000	468,125	462,571
CCL Industries Inc., Series 'I', Restricted, Callable, 3.864%, 13/04/28	40,000	40,000	40,570
Dollarama Inc., 2.337%, 22/07/21	145,000	145,000	142,862
Enbridge Income Fund (The), Callable, 3.950%, 19/11/24	50,000	50,000	51,126
Enbridge Pipelines Inc., Callable, 4.490%, 12/11/19	25,000	24,980	25,754
Enbridge Pipelines Inc., Callable, 4.450%, 06/04/20	610,000	665,906	629,470
ENMAX Corp., Callable, 3.805%, 05/12/24	75,000	75,000	76,936
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	60,750
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	65,629
Hydro One Inc., Callable, 3.200%, 13/01/22	275,000	294,620	279,521
Inter Pipeline Ltd., Callable, 2.608%, 13/09/23	25,000	25,000	24,173

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Inter Pipeline Ltd., Callable, 2.734%, 18/04/24	55,000	55,000	53,056
Inter Pipeline Ltd., Callable, 3.173%, 24/03/25	35,000	32,889	34,196
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	125,000	125,527	122,747
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	60,259
Manitoba Telecom Services Inc., Series '8', Callable, 5.625%, 16/12/19	130,000	145,144	135,703
Metro Inc., Restricted, Callable, 3.390%, 06/12/27	205,000	204,879	200,952
National Bank of Canada, 1.742%, 03/03/20	290,000	286,491	286,545
National Bank of Canada, 1.809%, 26/07/21	135,000	135,028	131,374
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'C', Callable, 2.100%, 23/02/22	40,000	39,920	39,008
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'A', Callable, 3.200%, 22/07/24	125,000	124,809	125,736
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'F', Callable, 4.250%, 01/06/29	120,000	121,016	127,972
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	285,000	285,031	288,622
Reliance L.P., 4.075%, 02/08/21	115,000	115,391	117,654
Reliance L.P., Callable, 3.836%, 15/03/25	175,000	174,996	173,888
Rogers Communications Inc., Callable, 4.000%, 06/06/22	545,000	578,096	566,531
Royal Bank of Canada, 2.980%, 07/05/19	415,000	432,969	417,869
Royal Bank of Canada, 1.968%, 02/03/22	485,000	483,921	471,354
Royal Bank of Canada, 2.360%, 05/12/22	470,000	465,648	460,317
Royal Bank of Canada, Variable Rate, Callable, 2.990%, 06/12/24	70,000	70,000	70,418
Royal Bank of Canada, 4.930%, 16/07/25	130,000	159,325	145,512
Shaw Communications Inc., Callable, 5.500%, 07/12/20	70,000	69,744	74,394
Shaw Communications Inc., Callable, 4.350%, 31/01/24	20,000	19,995	20,938
SNC-Lavalin Group Inc., Callable, 6.190%, 03/07/19	130,000	148,047	134,731
Sun Life Financial Inc., Series 'D', Callable, 5.700%, 02/07/19	30,000	33,231	31,006
Sun Life Financial Inc., 4.570%, 23/08/21	15,000	16,005	15,815
TELUS Corp., Series 'CG', Callable, 5.050%, 04/12/19	240,000	253,609	249,299
TELUS Corp., 3.600%, 26/01/21	195,000	200,129	198,988
TELUS Corp., Callable, 3.750%, 17/01/25	100,000	99,775	102,294
Teranet Holdings L.P., Callable, 4.807%, 16/12/20	65,000	64,813	67,453
Toronto-Dominion Bank (The), 2.563%, 24/06/20	730,000	742,075	730,656
Toronto-Dominion Bank (The), 2.045%, 08/03/21	490,000	492,858	482,487
Toronto-Dominion Bank (The), 1.994%, 23/03/22	240,000	237,085	233,496
Toronto-Dominion Bank (The), 1.909%, 18/07/23	75,000	75,000	71,578
TransCanada PipeLines Ltd., Callable, 3.690%, 19/07/23	630,000	657,107	649,155
Wells Fargo Financial Canada Corp., 2.944%, 25/07/19	390,000	401,816	392,504
Westcoast Energy Inc., 3.883%, 28/10/21	35,000	35,000	36,137
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	156,563
		14,346,714	14,095,986
TOTAL BONDS		34,051,402	33,090,632
SHORT-TERM INVESTMENTS — 0.50%			
Government of Canada Treasury Bill, 1.290%, 20/09/18	400,000	398,912	398,951

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2018

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
		398,912	398,951
TRANSACTION COSTS		(52,560)	
TOTAL INVESTMENT PORTFOLIO — 96.40%		74,669,526	83,518,728
OTHER ASSETS, NET OF LIABILITIES — 3.60%			3,138,160
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%			86,656,888

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For periods ended June 30, 2018 and 2017

1. ESTABLISHMENT OF THE FUND

The Lincluden Balanced Fund (the "Fund") is an open-end mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust dated February 23, 2000. The address of the Fund's registered office is 200 City Centre Drive, Suite 201, Mississauga, Ontario. The Fund commenced operations on September 29, 2000. Lincluden Investment Management Limited acts as the Trustee and Investment Manager of the Fund (the "Fund Manager").

The investment objective of the Fund is to generate both capital appreciation and income, while maintaining a relatively low level of risk. To achieve its objectives, the Fund invests in a diverse portfolio of stocks, government and corporate bonds, and short-term instruments such as Government of Canada treasury bills.

2. BASIS OF PREPARATION

Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were authorized for issue by the Board of Directors of the Manager on August 29, 2018.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss, which are presented at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

(i) Recognition, initial measurement and classification

Financial assets and financial liabilities at fair value through profit or loss are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and subsequently measured at amortized cost.

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

- Financial assets at fair value through profit or loss:
 - Held for trading: derivative financial instruments
 - Designated as fair value through profit or loss: debt securities and equity investments
- Financial assets at amortized cost:
 - Loans and receivables: all other financial assets
- Financial liabilities at fair value through profit or loss
 - Held for trading: derivative financial instruments
- Financial liabilities at amortized cost: all other financial liabilities are classified as other financial liabilities

(ii) Fair value measurement

Investments in securities listed on a public securities exchange or traded on an over-the-counter market are valued at the closing sale price. Securities with no available closing prices are valued at the last available sale or close price. In respect of any unlisted or non-exchange traded securities, or securities for which a last sale or close price are unavailable or securities for which market quotations are, in the Fund Manager's opinion, inaccurate, unreliable, or not reflective of all available material information, such securities are valued at their fair value as determined by the Fund Manager. Short-term notes are valued at cost plus accrued interest, which approximates fair value.

The Fund may enter into forward foreign exchange contracts with the intention to offset or reduce exchange rate risks associated with the investments. The value of these forward

contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out and recorded as a derivative asset/liability in the statements of financial position. When the forward contracts are closed out or mature, realized gains or losses on forward contracts are recognized and are included in the statements of comprehensive income.

Investments in pooled funds are valued at the unit values supplied by the underlying fund's administrator.

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

Fair value policies used for financial reporting purposes are the same as those used to measure the net asset value ("NAV") for transactions with unitholders.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit and loss and foreign exchange gains and losses.

Cash

Cash consists of cash on deposit with financial institutions.

Investment transactions and income recognition

The Fund follows the accrual method of recording investment income and expenses. Dividends are accrued as of the ex-dividend date. Stock dividends are recorded in income based on the fair value of the security on the ex-dividend date.

The interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest earned by the fund accounted for on an accrual basis. The fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Cost of investments

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other transaction costs.

Foreign currency translation

The fair values of foreign currency denominated investments are translated into Canadian dollars, using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions. Foreign exchange gains and losses are presented as foreign exchange gain (loss), except for those arising from financial instruments at fair value through profit or loss which are recognized as a component within “Net realized gain (loss) on investments” and “Change in unrealized appreciation (depreciation)” in the statements of comprehensive income.

Income taxes

The Fund presently qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada), and accordingly, is not taxed on that portion of its taxable income, which is paid or payable to unitholders at the end of the taxation year. The Fund has elected for a December 15 taxation year end. The Fund pays out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

Capital losses and non-capital losses incurred by the Funds cannot be allocated to unitholders but capital losses may be carried forward indefinitely to reduce future realized capital gains and non-capital losses may be carried forward for 20 taxation years to reduce future net income for tax purposes. As at December 31, 2017, the Fund has no non-capital losses (2016 – nil) and no capital losses carrying forward (2016 - nil).

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in the country of origin. During the period, the average withholding tax rate was 15% (2016 -15%).

Redeemable Units

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale. The amount is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their net asset value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units is reduced by the net asset value of the unit at the date of redemption. The redeemable units, which are classified as financial liabilities, are measured at the redemption amount and are considered a residual interest in the assets of the Fund after deducting all of its liabilities.

Net assets attributable to holders of redeemable units is calculated for each series of units of the Fund by taking the respective series' proportionate share of the Fund's net assets and dividing by the number of units of that class outstanding on the valuation date.

The increase (decrease) in net assets attributable to holders of redeemable units per unit by series in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of that series outstanding during the reporting period. Income, expenses other than management fees, and realized and unrealized capital gains (losses) are distributed amongst the different classes of units in proportion to the amount invested in them.

Receivable for investments sold/Payable for investments purchased

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

Accounting changes

(I) IFRS 9, Financial Instruments:

Beginning January 1, 2018, the Fund has adopted IFRS 9 prospectively, which replaces International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement, in its financial statements. Restatement of prior periods is not required.

The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Based upon the analysis of its business model and contractual cash flow characteristics of its financial instruments, the Fund has determined that its financial instruments will continue to be measured at fair value through profit and loss with the adoption of IFRS 9. There are no changes in the classification or measurements of the Fund's financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the Fund Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The most significant accounting judgement and estimate that the Fund has made in preparing the financial statements is determining the fair value measurement of derivatives and investments not quoted in an active market, if any. See note 8 for more information on the fair value measurement of the Fund's financial instruments.

5. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of units in Series A, Series F, Series I and Series O. Series A Units, the Series F Units, the Series I Units and the Series O Units all have the same attributes, except that:

(a) a different management fee may be payable by the Fund in respect of the Series A Units and Series F Units.

(b) no management fee shall be payable by the Fund in respect of the Series I Units or Series O Units.

Further information on the rights, privileges and restrictions attaching to each Series is set out in the Fund's Declaration of Trust and Prospectus.

The Fund is required to distribute any net income and capital gains that it has earned in the year. Income earned by the Fund is distributed to unitholders at least once per year, if necessary, and these distributions are either paid in cash or reinvested by unitholders into additional units of the Fund. Distributions payable to holders of redeemable units are recognized in the statements of changes in net assets attributable to holders of redeemable units. The units of the Fund are classified as financial liabilities as there is a requirement to distribute net income and capital gains and the Fund has multiple series of units with different features.

Unit transactions for the periods ended June 30, 2018 and June 30, 2017 are as follows:

	June 30, 2018	June 30, 2017
Series A	Number of Units	Number of Units
Opening	62,076	76,113
Subscriptions	–	83
Distributions reinvested	254	349
Redemptions	(3,205)	(8,199)
Closing	59,125	68,346
Average	61,028	70,139
	June 30, 2018	June 30, 2017
Series O	Number of Units	Number of Units
Opening	2,026,372	5,644,494
Subscriptions	5,314	124,620
Distributions reinvested	27,167	82,576
Redemptions	(269,661)	(296,262)
Closing	1,789,192	5,555,428
Average	1,862,456	5,576,149
	June 30, 2018	June 30, 2017
Class F	Number of Units	Number of Units
Opening	3,442,518	–
Subscriptions	36,418	–
Distributions reinvested	44,460	–
Redemptions	(232,970)	–
Closing	3,290,426	–
Average	3,366,268	–

6. RELATED PARTY TRANSACTIONS AND FUND EXPENSES

Management Fees and Other Expenses

Each series of the Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all series. Expenses may include legal fees, audit fees, custodial fees, taxes and servicing costs. The Fund Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the statements of comprehensive income. The Fund Manager may cease to absorb expenses at any time.

For Series A, the management fee is 1.75% plus GST/HST and it is charged directly to the Fund. For Series F, the management fee is 0.25% plus GST/HST and it is charged directly to the Fund. For Series O, the Fund Manager receives no management fees directly from the Fund for management of the Fund, but instead charges management fees directly to unitholders. As such, the management fee is not an expense of the Fund for Series O.

Independent Review Committee

The total remuneration paid to independent review committee members amounted to \$17,500 (June 30, 2017 - \$17,500).

Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 76,543 redeemable units in the Fund (December 31, 2017 – 103,561).

7. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the period ended June 30, 2018 amounted to \$16,267 (June 30, 2017 - \$19,135). The Fund recognizes that it has a duty to its clients to seek the most favourable execution terms that are reasonably available given the circumstances of each trade. While the ability to trade at the best price is normally the most important consideration in determining best execution consideration is also given to the full range and quality of a broker's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness. The Fund Manager does not use any of the commission dollars to pay for any of the services required for the operation of the Fund or the firm ("soft dollars").

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Fund's investment activities expose it to various types of risks associated with the financial instruments in which it invests directly. The Manager seeks to minimize potential adverse effects of these risks for the Fund's performance by employing professional, experienced portfolio advisors, by daily monitoring of the Fund's positions and market events, and periodically may use derivatives to hedge certain risk exposures. To assist in managing risks, the Manager maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategies, internal guidelines and securities regulations.

Please refer to the most recent prospectus and annual information form for a complete discussion of the risks attributed to an investment in the units of the Fund. Significant financial instrument risks that are relevant to the Fund and an analysis of how they are managed are presented below.

Currency risk

The Fund invests in securities denominated in currencies other than its reporting currency, the Canadian dollar. Consequently, the Fund is exposed to risks that the exchange rate of the Canadian dollar relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets.

The table below indicates the currencies to which the Fund had significant exposure at year end, on both its trading monetary assets and liabilities as well as the underlying principal amount of foreign exchange forward contracts.

Currency Risk June 30, 2018

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	21,467,522	—	21,467,522	24.77%
Euro	2,054,697	—	2,054,697	2.37%
British Pound	1,670,690	—	1,670,690	1.93%
Japanese Yen	824,790	—	824,790	0.95%
Swedish Krona	259,762	—	259,762	0.30%
Swiss Franc	234,949	—	234,949	0.27%

Currency Risk December 31, 2017

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	22,116,908	—	22,116,908	23.73%
Euro	2,313,550	—	2,313,550	2.48%
British Pound	1,651,985	—	1,651,985	1.77%
Japanese Yen	783,755	—	783,755	0.84%
Swiss Franc	366,448	—	366,448	0.39%

As at June 30, 2018, had the Canadian dollar strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$1,325,621 (December 31, 2017 - \$1,361,632). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

The Fund invests in interest-bearing securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the sale of securities.

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

The table below summarizes the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates. The interest rate risk associated with short-term investments is minimal and therefore not included in the table below.

Interest Rate Risk June 30, 2018:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	417,869	9,378,035	11,313,682	11,981,046	33,090,632

Interest Rate Risk December 31, 2017:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	–	5,447,357	18,617,882	11,600,162	35,665,401

As at June 30, 2018, had the prevailing interest rates raised or lowered by 1%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by \$1,394,120 (December 31, 2017 - \$1,568,207).

Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of the default of counterparty on its obligation to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and balances due from brokers and receivables. Credit risk is managed by dealing with counterparties the Fund believes to be creditworthy and by regular monitoring of credit exposures.

The Fund manages credit risk within its debt portfolio by: complementing the research of rating agencies by its own internal analysis, diversifying the portfolio by issuer, controlling exposure to individual issues and maintaining exposure across industry sectors.

As at June 30, 2018 and December 31, 2017, the Fund invested in debt securities with the following credit characteristics:

Credit Risk

Percentage of Net Assets		
Bond Ratings	June 30, 2018	December 31, 2017
AAA	11.51%	13.42%
AA	8.46%	8.09%
A	11.07%	11.15%
BBB	7.15%	5.61%
Total	38.19%	38.27%

The Fund's maximum credit risk exposure as at the reporting date is represented by the respective carrying amounts of the financial assets in the statements of financial position.

The Fund's activities may give rise to settlement risk. 'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. For the majority of transactions, the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

Other market risk

Other market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk and currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. This risk is managed through careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are monitored on a daily basis.

As at June 30, 2018, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,501,457 (December 31, 2017 - \$2,762,849) with all other factors held constant. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Liquidity risk

The Fund is exposed to daily cash redemptions of units. It therefore invests its assets in investments that are traded in an active market and can be readily disposed of. The Fund's listed securities are considered readily realizable.

The Fund's liquidity position is monitored on a daily basis and all the Fund's financial liabilities are short-term in nature and due within 90 days.

Fair Value Hierarchy

The Fund measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which change has occurred. There was no transfers from level 1 to level 2 as at June 30, 2018 (December 31, 2017 – nil). There were \$1,465,000 in transfers from level 2 to level 1 as at June 30, 2018 (December 31, 2017 – nil).

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of June 30, 2018 and December 31, 2017:

Fair Value Measurement of Financial Instruments As at June 30, 2018

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 50,029,145	\$ –	\$ –	\$ 50,029,145
Bonds	–	33,090,632	–	33,090,632
Short-Term Investments	–	398,951	–	398,951
Total Investments	\$ 50,029,145	\$ 33,489,583	\$ –	\$ 83,518,728

Fair Value Measurement of Financial Instruments As at December 31, 2017

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 53,690,956	\$ 1,566,020	\$ –	\$ 55,256,976
Bonds	–	35,665,401	–	35,665,401

Short-Term Investments									
Total Investments	\$	53,690,956	\$	37,929,966	\$	-	\$	91,620,922	

9. CAPITAL MANAGEMENT

The capital of the Fund is represented by issued redeemable units with no par value. The units of the Fund are entitled to distributions, if any, and any redemptions are based on the Fund's net assets attributable to holders of redeemable units per unit. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. The Fund endeavours to invest its subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

10. NET CHANGES FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Previously IAS 39 required investment funds to disclose a more detailed break-out of categories either in a table or on a qualitative basis. Under IFRS 9 Net gain (loss) on Financial Instruments table is no longer required.