

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 19, 2016



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Lincluden Balanced Fund

INTRODUCTION

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

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.

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

- the Annual Information Form of 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 Simplified Prospectus, 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 and other information about the Fund are available on the internet site of the System for Electronic Document Analysis and Retrieval (also known as SEDAR) at www.sedar.com.

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

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.

Lincluden Balanced Fund

Mutual funds own different types of investments — stocks, bonds, cash, derivatives — 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 see page 8 under the sub-heading "Redemptions" for more information.

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 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.

What are the 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.

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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 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.

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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.

Tax risk

On March 18, 2010, the Hiring Incentives to Restore Employment Act of 2010 was enacted into law and added a new withholding tax system, often referred to as the Foreign Account Tax Compliance Act ("FATCA"), to the U.S. Internal Revenue Code. FATCA requires a "foreign financial institution" ("FFI"), the broad definition of which would include an investment fund, such as the Fund, established outside of the United States, to undertake certain due diligence, reporting, withholding and certification obligations with respect to its direct investors. Failure to comply with FATCA could subject an FFI or its account holders to certain sanctions including a 30% U.S. withholding tax on certain payments to them, unless an exemption is met.

The Canadian government has entered into an intergovernmental agreement with the United States (the "Canada-U.S. IGA") under which Canada has agreed to import certain FATCA provisions into Canadian law and which modifies the U.S. tax reporting and withholding provisions as they apply to Canadian FFIs. Legislation to ratify and implement the Canada-U.S. IGA was enacted in June 2014.

Under the Canada-U.S. IGA, Canadian 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 expects to qualify for relief under the Canada-U.S. IGA so as to avoid the imposition of the 30% withholding tax.

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

On April 15, 2016, the Department of Finance (Canada) proposed legislation to amend the Tax Act to implement the Common Reporting Standard ("CRS") developed by the Organization for Economic Co-operation and Development ("OECD"). The proposed legislation may require the Fund to report similar information in connection with other jurisdictions.

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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

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" on page 11. 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 contract and is required, among other things, to notify us if you no longer have a fee based or wrap account with the dealer.

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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.

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 Payable Directly By You" on page 11 and "Dealer Compensation" on page 12.

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.

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.

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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. See page 11 under the heading "Fees and Expenses Payable Directly By You".

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.

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.

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OPTIONAL SERVICES

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

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.

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.

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FEES AND EXPENSES

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

Management Fees Lincluden Investment Management Limited is entitled to receive a fee for acting as manager and portfolio manager for the Fund. In our capacity of manager, we manage the day-to-day business of the Fund, including negotiating contractual agreements with and oversight of service providers, and preparing reports to unitholders and securities regulatory authorities. In our capacity as portfolio manager we manage the investment portfolio and execute portfolio transactions for the Fund.	<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. <u>Series F Units</u> - We are entitled to a maximum annual management fee from the series F units of the Fund of 1.00%. A dealer may receive a management fee rebate depending on the size of their clients' investment in series F units of the Fund. 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. 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. We do not receive a management fee from the Fund in respect of series I units or Series O units of the Fund. 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.
Operating Expenses	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 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. 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

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reimbursed for reasonable expenses incurred. The aggregate compensation paid to IRC members and expenses of the IRC for the period ended December 31,2015 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

Management Fees	<p><u>Series I Units and Series O Units</u> - A maximum annual management fee of 1.75% is payable to us on series I units and series O units of the Fund.</p> <p>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.</p> <p>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.</p>
Sales Charges	<p>You pay no sales charges for series A units purchased through Lincluden Mutual Fund Dealer Inc. 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.</p> <p>No sales charges are applicable to series O units, series F units or series I units of the Fund.</p>
Short-Term Trading Fee	<p>None, if Units of a series of the Fund are purchased directly through us. 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 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.</p>
Registered Plan Fees	<p>None, if you use our registered plans.</p>
Other Fees and Expenses	<p>None, if Units of a series of the Fund are purchased directly through us. You may be subject to fees and expenses if you buy or redeem Units of a series through another dealer.</p>

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Impact of Sales Charges

The following table shows the amount of fees that you would have to pay under different purchase options if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
No Load Option ⁽¹⁾⁽²⁾	-	-	-	-	-
Sales Charge Option ⁽¹⁾⁽²⁾⁽³⁾	\$0 to \$50.00	\$0	\$0	\$0	\$0

- ⁽¹⁾ If you buy or redeem Units of a series of the Fund through another dealer they may charge you a purchase or redemption fee. These fees will be negotiated between you and the dealer.
- ⁽²⁾ You may be charged a 2% early withdrawal fee if you redeem Units of a series of the Fund within 90 days of purchase.
- ⁽³⁾ Applicable to series A units of the Fund only.

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 the 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. This trailing commission will also be paid to a discount broker for units you purchase through your discount brokerage account. 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.

DEALER COMPENSATION FROM MANAGEMENT FEES

For the year ended December 31, 2015 approximately 15.5% of the management fees paid to us were used to fund commissions to dealers and to contribute to dealer marketing activity.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a summary of the principal Canadian federal income tax consequences of distributions made by the Fund as well as the gains or losses that occur on the disposition of Units of the Fund. It assumes that you are an individual resident in Canada for Canadian federal income tax purposes, who holds Units of the Fund as capital property and deal with the Fund at arm's length.

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The Fund distributes enough income and net realized capital gains each year to ensure that it pays no ordinary income tax under the *Income Tax Act* (Canada) (the "Tax Act"). To the extent that distributions are made in excess of the Fund's net income and net realized capital gains, they are treated as returns of capital.

Funds Held in a Registered Plan

The Fund is a "mutual fund trust" for the purposes of the Tax Act. As long as the Fund maintains the status as a mutual fund trust, Units of the Fund will be qualified investments under the Tax Act for registered plans such as an RRSP or RRIF.

If you hold your Units of the Fund in a registered plan such as an RRSP or RRIF, you do not have to pay taxes on distributions received from the Fund or on capital gains realized upon redeeming or otherwise disposing of your Units within the plan. However, withdrawals from registered plans are generally taxable at your personal tax rate. However, you or your registered plan 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.

Management fees payable by you to us in connection with Units of the Fund held in a registered plan are not tax deductible.

Funds Not Held in a Registered Plan

If you hold your Units of the Fund outside of a registered plan, you must include the amount of all distributions of net income and net taxable capital gains paid or payable by the Fund to you during the year (computed in Canadian dollars) in your net income for tax purposes even though the distributions are reinvested in additional Units of the Fund. Distributions in excess of your share of net income and net capital gains are treated as returns of capital and will reduce the adjusted cost base of your Units of the Fund.

To the extent that distributions are made by the Fund out of its Canadian dividends, net capital gains or foreign income, and the appropriate designations are made by the Fund, the nature of the distribution will be preserved. In addition, you will be entitled to claim any applicable dividend tax credits and foreign tax credits.

The higher the portfolio turnover rate of the Fund in a year, the greater the chance that you may receive a distribution from the Fund that must be included in computing your income for tax purposes for that year.

The price you pay to purchase Units of the Fund may include income and capital gains that the Fund has earned, but not yet realized (in the case of capital gains) and/or paid out as a distribution. If you buy Units of the Fund just before it makes a distribution, you will be taxed on that distribution. In other words, you may have to pay tax on income or capital gains that the Fund earned (but has not yet distributed) before you owned your Units of the Fund.

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You must take into account, in computing your income for a year, any capital gain or capital loss you make on redeeming a Unit of the Fund. Your capital gain (or capital loss) will be the amount by which the redemption proceeds exceed (or are exceeded by) the adjusted cost base of the Unit and any costs of disposition. Changing one series of Units of the Fund 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.

One half of a capital gain (or a capital loss) is a taxable capital gain (or allowable capital loss) and is included in computing your income (or subject to the detailed rules of the Tax Act may be allowed as a deduction against taxable capital gains).

The adjusted cost base of a Unit of the Fund will generally be the weighted average cost of all your Units of the Fund, including Units purchased on a reinvestment of distributions. For example, suppose you own 500 series A units of the Fund with an adjusted cost base of \$10 each for a total cost of \$5,000. Suppose you then purchase another 200 series A units of the Fund at \$12 each for a total of \$2,400. You have now spent \$7,400 for 700 series A units of the Fund. Your new adjusted cost base of each series A unit of the Fund is \$7,400 divided by 700 series A units or \$10.57 per unit.

You should keep detailed records of the purchase cost of your Units of the Fund and distributions you receive on those Units so you can calculate their adjusted cost base. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

In certain situations where you dispose of Units of the Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired Units of the Fund (which are considered to be "substituted property") within 30 days before or after you dispose of your Units of the same Fund. In these circumstances, your 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 Units of the Fund that are substituted property.

Dividends and capital gains distributed by the Fund and capital gains realized on the disposition of Units may give rise to alternative minimum tax.

You should consult your tax advisor about the tax treatment in your particular circumstances of any fees you pay to us when investing in the Fund.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus, or to cancel your purchase within forty-eight hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form or financial statements misrepresent any facts about the mutual fund. These rights usually must be exercised within certain time limits.

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For more information, refer to the securities legislation of your province or consult your lawyer.

SPECIFIC INFORMATION ABOUT THE LINCLUDEN BALANCED FUND

ORGANIZATION AND MANAGEMENT OF THE LINCLUDEN BALANCED FUND

This table provides you with information about the Lincluden Balanced Fund.

Manager Lincluden Investment Management Limited 201 City Centre Drive, Suite 201 Mississauga, Ontario L5B 2T4 Telephone: (905) 273-4240 Toll-Free: 1-844-373-4240 Fax: (905) 273-4882 Web Site: www.lincluden.com	As manager, we manage the overall affairs and operations of the Fund.
Portfolio Adviser Lincluden Investment Management Limited Mississauga, Ontario	As portfolio adviser, we manage the investment portfolio of the Fund.
Principal Distributor Lincluden Investment Management Limited Mississauga, Ontario	As principal distributor, we may market Units of the Fund through independent brokers and mutual fund dealers. Our subsidiary, Lincluden Mutual Fund Dealer Inc., also accepts purchase orders directly from investors in Ontario.
Trustee Lincluden Investment Management Limited Mississauga, Ontario	The Fund is organized as a trust. When you invest in Units of the Fund, you are buying units of a trust. As trustee, we hold legal title to the property of the Fund – the cash and securities – on behalf of the Fund.
Custodian CIBC Mellon Trust Company (“CMT”) Toronto, Ontario	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.

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Registrar CIBC Mellon Global Securities Services Company Toronto, Ontario	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.
Auditor KPMG LLP Toronto, Ontario	KPMG annually audits the financial statements of the Fund to report on the fair presentation of the Fund's financial position and results of operations in accordance with International Financial Reporting Standards.
Independent Review Committee	<p>In accordance with National Instrument 81-107 - <i>Independent Review Committee</i> for Investment Funds, we have established an Independent Review Committee (the "IRC") to whom we refer all conflict of interest matters for review or approval in respect of the Fund.</p> <p>In addition, 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 <i>Independent Review Committee for Investment Funds</i> 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.</p> <p>Among other matters, the IRC prepares, at least annually, a report of its activities for unitholders of the fund which is available on the internet at 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.</p> <p>Additional information about the IRC is available in the annual information form of the Fund.</p>

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FUND DETAILS

Type of Fund:	Balanced
Start-up Date:	Series O: September 29, 2000 Series A: July 20, 2007
Securities Offered:	series A units, series F units, series I units and series O units
Registered Tax Plan Status:	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 investment objective 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

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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.

INVESTMENT RISK CLASSIFICATION METHODOLOGY

In order to achieve the Fund's investment objective of generating both capital appreciation and growth, the Fund is invested in both stocks and fixed income securities. Stock investments will be in both Canadian and foreign equity markets, including the U.S., while fixed income investments too may be in non-Canadian securities. In most cases any foreign currency exposure within the fixed income portfolio will be hedged. Generally the foreign currency exposure of the equity portfolio above the long term policy benchmark will be hedged. Therefore an investor in the Fund will be subject to all of the potential risks of investing in a mutual fund, which are described in more detail on page 3: stock market risk, specific issuer risk, interest rate risk, liquidity risk, credit risk, foreign securities risk, currency risk, ADR risk, derivatives risk and tax risk. Because the Fund offers multiple series of Units, the investor is also subject to series risk.

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 medium. The risk classification has been established within a review of both quantitative and qualitative factors; that is, measurable and non-measurable. The measurable factors that are considered include both the historical standard deviation of Fund performance along with the valuation characteristics of the equity portfolio in terms of the discount of market price to target price.

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. The Fund's volatility risk is measured using a rolling average standard deviation over five year periods, a period which represents the typical minimum investor time horizon. 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.

Equity target prices are established relative to a valuation process focused on estimated future cash flows, liquidation values and/or asset values. The firm's Qualitative Scoring System complements the quantitative valuation analyses with business quality and financial quality scores.

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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 manner in which we identify risks is available on request, at no cost, by contacting us using the information found at the back of this prospectus.

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.

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FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

Mutual funds pay for some expenses out of fund assets. That means investors in a mutual fund indirectly pay for these expenses through lower returns.

The table below is intended to help you compare the cumulative cost of investing in units of the Fund with the cost of investing in other mutual funds. This example assumes that (i) you make an initial investment of \$1,000; (ii) your investment has an annual 5% return; (iii) you paid the maximum annual management fee payable to us, as provided for in this Simplified Prospectus; and (iv) the Fund's management expense ratio and operating expenses during the 10-year period remain the same as they were in the last completed financial year of the Fund.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Time Period	Expense Payable – series O	Expense Payable – series A
One Year	\$25.45	\$25.66
Three Years	\$80.23	\$80.90
Five Years	\$140.63	\$141.80
Ten Years	\$320.11	\$322.78

The calculations for the table above assume that all expenses incurred by the Fund are charged to the Fund. Currently, our policy is to absorb a portion of the Fund's expenses, however, this policy may change in future years. If the assumption is made that we absorbed the same level of expenses going forward as we did in 2015, your costs for holding \$1,000 in series O / series A units of the Fund would be \$21.47 / \$21.50 (one year), \$67.68 / \$67.79 (three years), \$118.64 / \$118.83 (5 years) and \$270.05 / \$270.49 (10 years). See "Fees and Expenses" on page 9 for more information about the cost of investing in the Fund.

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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.

Annual Information Form

A legal document filed with securities regulators that explains in greater detail certain of the information contained in the simplified prospectus of a mutual fund and contains additional information related to the mutual fund.

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.

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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.

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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 Annual Information Form, 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.sedar.com.

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