

Financial Statements



Lincluden Balanced Fund

Years ended December 31, 2022 and December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Lincluden Balanced Fund

Opinion

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

- the statements of financial position as at December 31, 2022 and December 31, 2021
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2022 and December 31, 2021, its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

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

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

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



Other Information

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

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

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

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

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

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

We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

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

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

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



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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 17, 2023

Statements of Financial Position

As at	December 31, 2022	December 31, 2021
	\$	\$
ASSETS		
Non-derivative financial assets <i>[note 8]</i>	75,368,166	84,171,757
Cash	1,370,240	431,545
Interest receivable	128,519	151,425
Dividends receivable	216,624	181,494
Prepaid expenses	13,105	13,105
Total assets	77,096,654	84,949,326
LIABILITIES		
Redemptions payable	-	204,180
Accrued management fees	12,766	13,798
Other accrued expenses	19,768	19,768
Distributions payable to holders of redeemable units	-	50,058
Total liabilities	32,534	287,804
Net assets attributable to holders of redeemable units	77,064,120	84,661,522
Net assets attributable to holders of redeemable units per class		
Series A	531,402	579,030
Series O	28,030,870	30,460,553
Series F	48,501,848	53,621,939
Units outstanding by Series <i>[note 5]</i>		
Series A	32,531	32,207
Series O	1,754,611	1,733,534
Series F	3,028,488	3,056,372
Net assets attributable to holders of redeemable units per unit <i>[note 3]</i>		
Series A	16.34	17.98
Series O	15.98	17.57
Series F	16.02	17.54

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

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



Paula Darling
Vice President



Philip R. Evans
President

Statements of Comprehensive Income (Loss)

For the years ended December 31	2022	2021
	\$	\$
INCOME		
Interest for distribution purposes	766,453	732,012
Dividend income	1,448,606	1,257,094
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on investments	3,906,712	5,764,106
Net foreign exchange gain (loss) on cash	12,863	(4,912)
Net other gain (loss)	73,148	4,285
Change in unrealized on foreign exchange gain (loss) on cash	(12,609)	20,905
Change in unrealized appreciation (depreciation) of investments and derivatives	(7,605,080)	4,898,128
	(1,409,907)	12,671,618
EXPENSES [note 6]		
Management fees	134,964	141,746
Audit fees	41,555	35,000
Operating fees	41,312	-
Custodial and administrative fees	18,388	24,999
Independent review committee fees	35,000	35,000
Recordkeeping and accounting	72,180	115,001
Commissions and other portfolio transaction costs	23,663	30,541
Withholding expenses	110,785	91,734
Harmonized sales tax	44,642	41,177
Other expenses	5,660	2,563
	528,149	517,761
Expenses waived or absorbed by manager [note 6]	(157,081)	(154,300)
	371,068	363,461
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,780,975)	12,308,157
Increase (Decrease) in net assets attributable to holders of redeemable units per class		
Series A	(21,845)	83,667
Series O	(595,470)	4,318,330
Series F	(1,163,660)	7,906,160
Increase (Decrease) in net assets attributable to holders of redeemable units per unit		
Series A	(0.69)	2.42
Series O	(0.35)	2.70
Series F	(0.39)	2.63

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

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

For the years ended December 31

Series A	2022	2021
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	579,030	545,943
Increase (Decrease) in net assets attributable to holders of redeemable units	(21,845)	83,667
Distributions paid or payable to holders of redeemable units		
From net investment income	(2,972)	(2,204)
From net realized capital gains	(26,766)	(1,679)
Total distributions to holders of redeemable units	(29,738)	(3,883)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	-	245,032
Amount received from reinvestment of distributions	29,738	3,883
Amount paid on redemptions of units	(25,783)	(295,612)
Net increase (decrease) from redeemable unit transactions	3,955	(46,697)
Net increase (decrease) in net assets attributable to holders of redeemable units	(47,628)	33,087
Net assets attributable to holders of redeemable units at end of period	531,402	579,030

Series O	2022	2021
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	30,460,553	26,434,754
Increase (Decrease) in net assets attributable to holders of redeemable units	(595,470)	4,318,330
Distributions paid or payable to holders of redeemable units		
From net investment income	(724,590)	(614,839)
From net realized capital gains	(1,377,536)	(1,834,472)
Total distributions to holders of redeemable units	(2,102,126)	(2,449,311)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	13,709	1,922,356
Amount received from reinvestment of distributions	2,050,347	2,384,918
Amount paid on redemptions of units	(1,796,143)	(2,150,494)
Net increase from redeemable unit transactions	267,913	2,156,780
Net increase (decrease) in net assets attributable to holders of redeemable units	(2,429,683)	4,025,799
Net assets attributable to holders of redeemable units at end of period	28,030,870	30,460,553

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

For the years ended December 31
Series F

	2022	2021
	\$	\$
Net assets attributable to holders of redeemable units at beginning of period	53,621,939	48,009,384
Increase (Decrease) in net assets attributable to holders of redeemable units	(1,163,660)	7,906,160
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,123,190)	(990,812)
From net realized capital gains	(2,199,052)	(2,669,441)
Total distributions to holders of redeemable units	(3,322,242)	(3,660,253)
Redeemable unit transactions <i>[note 5]</i>		
Amount received from the issuance of units	1,995,494	5,930,180
Amount received from reinvestment of distributions	3,322,239	3,660,226
Amount paid on redemptions of units	(5,951,922)	(8,223,758)
Net increase (decrease) from redeemable unit transactions	(634,189)	1,366,648
Net increase (decrease) in net assets attributable to holders of redeemable units	(5,120,091)	5,612,555
Net assets attributable to holders of redeemable units at end of period	48,501,848	53,621,939

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

Lincluden Balanced Fund

Statements of Cash Flows

For the years ended December 31

	2022	2021
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(1,780,975)	12,308,157
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	12,609	(20,905)
Net realized (gain) loss on sale of investments	(3,906,712)	(5,764,106)
Net change in unrealized (appreciation) depreciation of investments and derivatives	7,605,080	(4,898,128)
Purchase of investments	(31,992,646)	(39,650,595)
Proceeds from the sale and maturity of investments	37,097,869	39,885,022
Interest receivable	22,906	(24,179)
Dividends receivable	(35,130)	(19,182)
Other liabilities	(1,032)	1,386
	7,021,969	1,817,470
Financing activities		
Amount received from the issuance of units	2,009,203	8,097,568
Amount paid on redemptions of units	(7,978,028)	(10,471,068)
Distributions paid to unitholders	(101,840)	(36,374)
	(6,070,665)	(2,409,874)
Change in unrealized on foreign exchange gain (loss) on cash	(12,609)	20,905
Increase (decrease) in cash during the period	938,695	(571,499)
Cash at beginning of period	431,545	1,003,044
Cash at end of period	1,370,240	431,545
Interest received	789,359	707,833
Dividends received, net of withholding taxes	1,302,691	1,146,178

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

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2022

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
COMMON SHARES — 58.90%			
CANADIAN EQUITIES — 29.20%			
Communications Services — 2.60%			
BCE Inc.	13,875	926,660	825,424
Rogers Communications Inc., Class 'B'	17,990	1,066,540	1,140,026
		1,993,200	1,965,450
Consumer Discretionary — 4.10%			
Boyd Group Services Inc.	2,882	419,004	602,799
Canadian Tire Corp. Ltd., Class 'A'	3,083	474,022	436,244
Exco Technologies Ltd.	2,680	26,843	20,636
Magna International Inc.	8,710	612,711	662,483
Martinrea International Inc.	3,785	33,366	42,619
MTY Food Group Inc.	11,581	418,682	660,928
Pizza Pizza Royalty Corp.	1,760	25,755	24,006
Restaurant Brands International Inc.	8,059	527,700	705,727
		2,538,083	3,155,442
Consumer Staples — 2.60%			
Alimentation Couche-Tard Inc.	11,293	475,515	671,933
North West Co. Inc. (The)	14,268	365,971	507,513
Saputo Inc.	25,680	766,119	860,794
		1,607,605	2,040,240
Energy — 3.80%			
Cenovus Energy Inc.	29,008	311,357	762,040
Pason Systems Inc.	1,610	18,334	25,663
Peyto Exploration & Development Corp.	2,888	29,247	40,057
Suncor Energy Inc.	16,623	420,085	713,958
TC Energy Corp.	16,519	967,782	891,696
Vermilion Energy Inc.	19,469	569,244	466,672
Whitecap Resources Inc.	4,696	43,701	50,435
		2,359,750	2,950,521
Financial Services — 8.40%			
Bank of Nova Scotia	13,050	955,576	865,737
Brookfield Asset Management Ltd.	4,113	188,817	159,461
Brookfield Asset Management Reinsurance Partners Ltd., Class 'A'	763	47,834	32,298
Brookfield Business Partners L.P.	739	22,144	16,916
Canadian Imperial Bank of Commerce	11,500	712,375	629,855
Canadian Western Bank	1,441	36,906	34,670
Intact Financial Corp.	2,240	391,059	436,598
InterRent REIT	4,210	51,870	53,888
Laurentian Bank of Canada	820	36,965	26,486
MCAN Mortgage Corp.	1,061	18,336	15,915
Onex Corp.	651	50,501	42,504
Power Corp. of Canada	16,630	353,703	529,666
Royal Bank of Canada	12,380	1,126,800	1,575,974
Toronto-Dominion Bank (The)	17,335	1,054,476	1,519,759
Tricon Residential Inc.	48,682	674,627	508,240
		5,721,989	6,447,967
Health Care — 1.00%			
Brookfield Corp., Class 'A'	16,242	840,469	691,584
Neighbourly Pharmacy Inc.	1,185	23,576	27,717
Savaria Corp.	2,758	41,006	38,585
		905,051	757,886

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2022

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Industrials — 2.80%			
Badger Infrastructure Solutions Ltd.	1,717	49,840	45,775
Canadian National Railway Co.	7,244	671,191	1,165,125
Finning International Inc.	1,235	27,103	41,570
Hammond Power Solutions Inc.	1,080	15,239	21,730
Parkit Enterprise Inc.	23,660	27,213	29,575
Richelieu Hardware Ltd.	1,210	34,754	43,814
WSP Global Inc.	5,082	723,495	798,331
		1,548,835	2,145,920
Information Technology — 2.60%			
Absolute Software Corp.	1,727	23,123	24,420
Calian Group Ltd.	685	24,037	45,751
CGI Inc.	6,274	437,530	732,239
Computer Modelling Group Ltd.	82,582	588,178	481,453
Constellation Software Inc.	296	410,362	625,732
Enghouse Systems Ltd.	977	42,504	35,143
Information Services Corp., Class 'A'	1,390	40,952	33,596
Topicus.com Inc.	288	19,030	20,474
		1,585,716	1,998,808
Materials — 1.30%			
CCL Industries Inc., Class 'B'	10,746	604,438	621,548
Stella-Jones Inc.	8,361	299,047	405,676
		903,485	1,027,224
TOTAL CANADIAN EQUITIES		19,163,714	22,489,458
UNITED STATES EQUITIES — 18.60%			
Communications Services — 2.50%			
Alphabet Inc., Class 'A'	5,479	590,745	654,540
Verizon Communications Inc.	13,938	815,588	743,559
Walt Disney Co. (The)	4,568	640,346	537,359
		2,046,679	1,935,458
Consumer Discretionary — 2.00%			
Dollar Tree Inc.	3,279	387,915	627,960
TJX Cos. Inc. (The)	5,205	384,883	560,987
Tractor Supply Co.	1,060	115,623	322,886
		888,421	1,511,833
Consumer Staples — 3.20%			
Costco Wholesale Corp.	437	289,393	270,110
Dollar General Corp.	1,050	151,274	350,094
Kroger Co. (The)	9,570	337,219	577,658
Walgreens Boots Alliance Inc.	9,756	733,618	493,511
Walmart Inc.	3,993	557,167	766,591
		2,068,671	2,457,964
Energy — 0.60%			
EOG Resources Inc.	2,565	337,840	449,824
		337,840	449,824
Financial Services — 4.10%			
Bank of America Corp.	10,673	283,667	478,625
Citigroup Inc.	5,214	401,793	319,313
Federal Realty Investment Trust	3,555	645,269	486,353

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2022

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Flagship Communities REIT	2,190	49,239	48,156
Morgan Stanley	4,463	174,376	513,768
U.S. Bancorp	22,893	1,307,912	1,351,784
		2,862,256	3,197,999
Health Care — 3.30%			
Centene Corp.	8,130	599,798	902,768
Johnson & Johnson	2,792	459,224	667,802
Pfizer Inc.	14,361	597,856	996,351
		1,656,878	2,566,921
Information Technology — 2.90%			
Cisco Systems Inc.	6,939	321,011	447,597
Corning Inc.	8,521	273,960	368,506
Microsoft Corp.	1,680	234,912	545,523
Oracle Corp.	7,703	515,791	852,537
		1,345,674	2,214,163
TOTAL UNITED STATES EQUITIES		11,206,419	14,334,162
INTERNATIONAL EQUITIES — 11.10%			
Finland — 0.50%			
Nordea Bank ABP	27,520	339,094	400,068
		339,094	400,068
France — 3.50%			
AXA SA, ADR	8,085	252,031	305,095
Orange SA, ADR	41,278	746,305	552,197
Sanofi SA, ADR	7,577	429,674	496,856
Thales SA	3,985	473,432	689,055
TotalEnergies SE, ADR	3,960	249,044	332,863
Vinci SA	2,555	212,914	345,471
		2,363,400	2,721,537
Germany — 1.60%			
Fresenius Medical Care AG & Co. KGaA	4,650	439,127	206,032
SAP SE	4,952	719,208	691,827
Siemens AG, ADR	3,176	220,761	295,818
		1,379,096	1,193,677
Italy — 0.50%			
Prysmian SPA	7,255	222,884	364,461
		222,884	364,461
Netherlands — 1.00%			
ING Groep NV, ADR	26,406	353,583	435,123
Koninklijke Ahold Delhaize NV	9,220	283,535	358,673
		637,118	793,796
United Kingdom — 4.00%			
Associated British Foods PLC	18,382	518,706	474,216
GSK PLC, ADR	9,550	603,030	454,385
Haleon PLC, ADR	35,228	297,629	381,590
Reckitt Benckiser Group PLC	5,728	602,242	539,510
Shell PLC, ADR	3,675	231,637	283,380
Unilever PLC	8,258	547,800	565,309
Vodafone Group PLC, ADR	28,755	731,135	394,015
		3,532,179	3,092,405

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2022

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
TOTAL INTERNATIONAL EQUITIES		8,473,771	8,565,944
TOTAL EQUITIES		38,843,904	45,389,564
BONDS — 38.60%			
Government of Canada — 10.30%			
Government of Canada, 0.250%, 01/03/26	1,060,000	1,022,794	951,692
Government of Canada, 1.000%, 01/06/27	45,000	46,244	40,729
Government of Canada, 2.000%, 01/06/28	80,000	81,480	74,976
Government of Canada, 1.250%, 01/06/30	1,645,000	1,734,464	1,426,215
Government of Canada, 0.500%, 01/12/30	6,720,000	5,591,681	5,421,217
		8,476,663	7,914,829
Provincial Government — 13.70%			
OMERS Finance Trust, 1.550%, 21/04/27	190,000	189,812	171,759
Province of Alberta, 2.350%, 01/06/25	1,210,000	1,179,771	1,162,686
Province of British Columbia, 2.200%, 18/06/30	440,000	436,418	391,172
Province of Manitoba, 2.450%, 02/06/25	320,000	323,050	308,099
Province of New Brunswick, 3.650%, 03/06/24	235,000	258,930	232,641
Province of Ontario, 2.400%, 02/06/26	1,235,000	1,271,514	1,174,964
Province of Ontario, 2.600%, 02/06/27	1,695,000	1,773,167	1,611,416
Province of Ontario, 2.700%, 02/06/29	974,942	1,068,432	908,533
Province of Ontario, 2.050%, 02/06/30	1,545,000	1,395,275	1,357,215
Province of Quebec, 2.750%, 01/09/25	1,560,000	1,625,676	1,510,244
Province of Quebec, 2.300%, 01/09/29	1,545,000	1,514,311	1,401,393
Province of Quebec, 1.900%, 01/09/30	210,000	205,661	181,859
Province of Saskatchewan, 3.200%, 03/06/24	165,000	176,342	162,366
		11,418,359	10,574,347
Municipal Government — 0.70%			
City of Toronto, 2.650%, 09/11/29	220,000	239,624	202,359
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	32,292
Greater Toronto Airports Authority, Series '20-1', Callable, 1.540%, 03/05/28	230,000	225,961	199,587
Regional Municipality of York, 1.700%, 27/05/30	130,000	129,868	110,980
		635,739	545,218
Corporate Bonds — 13.90%			
407 International Inc., Callable, 2.430%, 04/05/27	365,000	383,966	338,236
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	124,868
AltaGas Ltd., Callable, 2.157%, 10/06/25	85,000	85,000	79,064
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	58,011
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	166,253
AltaGas Ltd., Callable, 2.075%, 30/05/28	80,000	80,000	68,361
Bank of Montreal, 2.700%, 11/09/24	225,000	220,945	216,897
Bank of Montreal, Callable, 2.370%, 03/02/25	775,000	813,374	733,635
Bank of Nova Scotia, 2.290%, 28/06/24	325,000	335,816	312,709
Bank of Nova Scotia, 2.490%, 23/09/24	735,000	755,710	703,646
Bell Canada, Callable, 2.200%, 29/05/28	30,000	29,963	26,243
Bell Canada, 2.500%, 14/05/30	450,000	448,864	380,684
Cameco Corp., Callable, 4.190%, 24/06/24	100,000	100,916	98,107
Canadian Imperial Bank of Commerce, 2.350%, 28/08/24	170,000	170,000	162,599
Canadian Imperial Bank of Commerce, 2.000%, 17/04/25	330,000	329,749	308,514
Canadian Imperial Bank of Commerce, 1.100%, 19/01/26	115,000	115,092	102,422
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	122,223
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	46,120
CCL Industries Inc., Series 'I', Callable, 3.864%, 13/04/28	40,000	40,000	37,661
Choice Properties REIT, Series 'M', Callable, 3.532%, 11/06/29	225,000	227,777	202,562

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2022

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Enbridge Inc., Callable, 3.950%, 19/11/24	50,000	50,000	48,849
Enbridge Inc., Callable, 2.990%, 03/10/29	55,000	54,962	48,285
Enbridge Inc., Callable, 3.100%, 21/09/33	50,000	49,915	40,538
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.625%, 12/04/78	70,000	75,894	67,355
ENMAX Corp., Callable, 3.805%, 05/12/24	75,000	75,000	72,467
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	55,858
Genworth MI Canada Inc., Callable, 2.955%, 01/03/27	75,000	74,999	66,735
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	60,737
Great-West Lifeco Inc., Callable, 2.379%, 14/05/30	150,000	150,000	126,701
Hydro One Inc., Callable, 2.770%, 24/02/26	500,000	526,085	474,345
Inter Pipeline Ltd., Callable, 2.608%, 13/09/23	25,000	25,000	24,509
Inter Pipeline Ltd., Callable, 2.734%, 18/04/24	55,000	55,000	53,171
Inter Pipeline Ltd., Callable, 3.173%, 24/03/25	70,000	67,059	66,821
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	40,000	40,169	37,303
Inter Pipeline Ltd., Callable, 4.232%, 01/06/27	90,000	90,000	86,193
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	56,111
Loblaw Cos. Ltd., Callable, 2.284%, 07/05/30	30,000	30,000	25,129
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.375%, 19/06/81	145,000	145,000	109,087
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	192,615
National Bank of Canada, Variable Rate, Callable, 1.573%, 18/08/26	725,000	724,916	662,964
NAV Canada, Callable, 2.063%, 29/05/30	80,000	80,000	68,242
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'J', Callable, 2.800%, 01/06/27	95,000	94,110	87,884
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	540,000	542,274	513,168
Pembina Pipeline Corp., Series '15', Callable, 3.310%, 01/02/30	50,000	49,962	44,386
Reliance L.P., Callable, 3.836%, 15/03/25	175,000	174,996	168,190
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	108,816
Reliance L.P., Callable, 2.680%, 01/12/27	60,000	59,989	52,746
RioCan REIT, Series 'AD', Callable, 1.974%, 15/06/26	55,000	55,000	48,603
Rogers Communications Inc., Callable, 3.250%, 01/05/29	160,000	170,433	142,938
Royal Bank of Canada, 2.352%, 02/07/24	170,000	170,000	163,233
Royal Bank of Canada, 4.930%, 16/07/25	130,000	159,325	130,669
Royal Bank of Canada, 2.328%, 28/01/27	590,000	591,223	532,924
Royal Bank of Canada, Series '2', Variable Rate, Callable, 4.000%, 24/02/81	200,000	200,000	173,541
Shaw Communications Inc., Callable, 4.350%, 31/01/24	105,000	111,703	103,662
Shaw Communications Inc., Callable, 3.300%, 10/12/29	115,000	114,456	101,409
Sun Life Financial Inc., Variable Rate, Callable, 2.580%, 10/05/32	40,000	39,985	35,826
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.600%, 30/06/81	70,000	70,000	52,797
TELUS Corp., Callable, 2.050%, 07/10/30	285,000	270,053	229,008
Toronto-Dominion Bank (The), 2.496%, 02/12/24	595,000	612,836	566,984
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	215,000	214,923	195,530
TransCanada PipeLines Ltd., Callable, 3.800%, 05/04/27	380,000	391,864	362,620
Westcoast Energy Inc., Callable, 3.770%, 08/12/25	15,000	16,132	14,443
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	132,472
		11,737,121	10,694,679
TOTAL BONDS		32,267,882	29,729,073
SHORT-TERM INVESTMENTS — 0.30%			
Government of Canada Treasury Bill, 3.850%, 19/01/23	250,000	247,745	249,529
		247,745	249,529
TRANSACTION COSTS		(34,954)	
TOTAL INVESTMENT PORTFOLIO — 97.80%		71,324,577	75,368,166
OTHER ASSETS, NET OF LIABILITIES — 2.20%			1,695,954
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%			77,064,120

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

1. ESTABLISHMENT OF THE FUND

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

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

The administration for the Fund is delegated to CIBC Mellon Trust Company.

2. BASIS OF PREPARATION

Basis of Accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue by the Board of Directors of the Fund Manager on March 17, 2023.

Basis of measurement

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

Functional and presentation currency

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

(i) Recognition, measurement and classification

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value, with transaction costs recognized in the statement of comprehensive income (loss). All financial assets and financial liabilities are recognized on the date on which they are originated at fair value, and subsequently measured at amortized cost.

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

- Financial assets at FVTPL: debt securities, equity investments and derivative financial instruments
- Financial assets at amortized cost: all other financial assets
- Financial liabilities classified at FVTPL: derivative financial instruments and securities sold short, if any
- Financial liabilities at amortized cost: all other financial liabilities.

(ii) Fair value measurement

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

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

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 (loss) represents the coupon interest earned by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.

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

Cost of investments

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

Foreign currency translation

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

Income taxes

The Fund presently qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada), and accordingly, is not taxed on that portion of its taxable income, which is paid or payable to unitholders at the end of the taxation year. The Fund has elected for a December 15 taxation year end. The Fund pays out sufficient net income and net realized capital gains 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, 2022, the Fund has no non-capital losses (December 31, 2021 – nil) and no capital losses carrying forward (December 31, 2021 - nil).

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in the country of origin. During the year, the average withholding tax rate was 15% (December 31, 2021 -15%).

Redeemable Units

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

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

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

Receivable for investments sold/Payable for investments purchased

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

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, Series F Units, Series I Units and Series O Units all have the same attributes, except that:

- (a) a different management fee may be payable by the Fund in respect of the Series A Units and Series F Units.
- (b) no management fee shall be payable by the Fund in respect of the Series I Units or Series O Units.

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

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

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

Unit transactions for the years ended December 31, 2022 and December 31, 2021 are as follows:

	December 31, 2022	December 31, 2021
Series A	Number of Units	Number of Units
Opening	32,207	34,534
Subscriptions	–	15,094
Distributions reinvested	1,818	225
Redemptions	(1,494)	(17,646)
Closing	32,531	32,207
Average	31,541	34,598

	December 31, 2022	December 31, 2021
Series O	Number of Units	Number of Units
Opening	1,733,534	1,614,461
Subscriptions	790	106,894
Distributions reinvested	127,305	135,630
Redemptions	(107,018)	(123,451)
Closing	1,754,611	1,733,534
Average	1,691,254	1,597,113

	December 31, 2022	December 31, 2021
Series F	Number of Units	Number of Units
Opening	3,056,372	2,968,867
Subscriptions	120,325	351,722
Distributions reinvested	206,024	208,988
Redemptions	(354,233)	(473,205)
Closing	3,028,488	3,056,372
Average	2,973,142	3,004,145

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

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, recordkeeping and administrative fees, taxes and servicing costs. The Fund Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the statements of comprehensive income (loss) and were \$157,081 for the year ended December 31, 2022 (December 31, 2021 - \$154,300). The Fund Manager may cease to absorb expenses at any time.

Management fees for Series A and Series F are charged directly to the Fund. For Series A, the management fee is 1.75% plus GST/HST. For Series F, the management fee is 0.25% plus GST/HST.

For Series O, the Fund Manager receives no management fees directly from the Fund for management of the Fund, but instead charges management fees directly to unitholders. As such, the Series O management fee is not an expense of the Fund.

Independent Review Committee

The total remuneration paid to independent review committee members amounted to \$35,000 for the year ended December 31, 2022 (December 31, 2021 - \$35,000).

Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 104,753.143 redeemable units in the Fund as at December 31, 2022 (December 31, 2021 – 96,244.764).

7. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the year ended December 31, 2022 amounted to \$23,663 (December 31, 2021 - \$30,541). 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.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

The brokerage commissions paid on securities transactions may include "soft dollar" amounts, such as the value of research and other services provided by the broker. Although the Manager uses best efforts to determine the soft dollar portion of commissions paid on portfolio transactions of the Fund, the soft dollar portion, in some instances, is not ascertainable. The Fund paid soft dollar amounts of \$355.36 (December 31, 2021 – nil) during the reported period.

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.

As at December 31, 2022, 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 \$1,214,597 (December 31, 2021 - \$ 1,278,014). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

**Currency Risk
December 31, 2022**

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

**Currency Risk
December 31, 2021**

	Currency risk exposed holdings	As a % of Net Assets
U.S. Dollar	19,788,607	23.37%
Euro	3,553,204	4.20%
British Pound	2,216,710	2.62%
Swiss Franc	1,755	0.00%

Interest rate risk

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

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

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

**Interest Rate Risk
December 31, 2022:**

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	24,509	7,379,698	7,618,862	14,706,004	29,729,073

**Interest Rate Risk
December 31, 2021:**

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	3,562,215	6,833,986	8,912,191	13,533,306	32,841,698

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

As at December 31, 2022, 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 \$ 1,500,328 (December 31, 2021 - \$1,442,917).

Credit risk

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

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

As at December 31, 2022 and December 31, 2021, the Fund invested in debt securities with the following credit characteristics:

Credit Risk

Bond Ratings	Percentage of Net Assets	
	December 31, 2022	December 31, 2021
AAA	10.41%	6.28%
AA	5.67%	6.69%
A	15.86%	17.50%
BBB	6.64%	8.32%
Total	38.58%	38.79%

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

all instruments traded in a market or market segment. This risk is managed through careful selection of securities and other financial instruments within specified limits. The Fund's overall market positions are monitored on a daily basis.

As at December 31, 2022, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$2,269,478 (December 31, 2021 - \$2,436,512) 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).

LINCLUDEN BALANCED FUND
 NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which change has occurred. During the year ended December 31, 2022, there were no transfers from Level 1 to Level 2 (December 31, 2021 – nil). During the year ended December 31, 2022, securities valued at approximately \$33,596 were transferred from Level 2 to Level 1 (December 31, 2021 – nil).

The Fund did not have any Level 3 investments as at December 31, 2022 (December 31, 2021 – nil).

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of December 31, 2022 and December 31, 2021:

**Fair Value Measurement of Financial Instruments
 As at December 31, 2022**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 45,389,564	\$ –	\$ –	\$ 45,389,564
Bonds	–	29,729,073	–	29,729,073
Short-Term Investments	–	249,529	–	249,529
Total Investments	\$ 45,389,564	\$ 29,978,602	\$ –	\$ 75,368,166

**Fair Value Measurement of Financial Instruments
 As at December 31, 2021**

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)	Total
Equities	\$ 48,694,104	\$ 36,126	\$ –	\$ 48,730,230
Bonds	–	32,841,698	–	32,841,698
Short-Term Investments	–	2,599,829	–	2,599,829
Total Investments	\$ 48,694,104	\$ 35,477,653	\$ –	\$ 84,171,757

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

LINCLUDEN BALANCED FUND
NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2022

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.