

Financial Statements



Lincluden Balanced Fund

Years ended December 31, 2025 and 2024



KPMG LLP
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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, 2025 and December 31, 2024
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

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

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



Other Information

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

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

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

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

We obtained the information included in Management Report of Fund Performance filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

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

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

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



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 30, 2026

Lincluden Balanced Fund

Statements of Financial Position

As at	December 31, 2025	December 31, 2024
	\$	\$
ASSETS		
Non-derivative financial assets <i>[note 9]</i>	109,112,223	99,753,526
Cash	591,513	829,048
Subscriptions receivable	500	-
Interest receivable	239,400	218,671
Dividends receivable	200,366	216,955
Derivative assets <i>[note 7]</i>	25,495	-
Prepaid expenses	30,043	50,324
Total assets	110,199,540	101,068,524
LIABILITIES		
Redemptions payable	5,758	11,407
Accrued management fees	38,135	34,287
Other accrued expenses	16,568	15,873
Other liabilities	-	37,029
Distributions payable to holders of redeemable units	109,104	9,462
Derivative liabilities <i>[note 7]</i>	-	64,875
Total liabilities	169,565	172,933
Net assets attributable to holders of redeemable units	110,029,975	100,895,591
Net assets attributable to holders of redeemable units per class		
Series A	12,638,471	10,446,478
Series O	22,370,466	21,527,715
Series F	75,021,038	68,921,398
Units outstanding by Series <i>[note 6]</i>		
Series A	639,004	555,121
Series O	1,160,711	1,166,674
Series F	3,818,595	3,719,083
Net assets attributable to holders of redeemable units per unit <i>[note 4]</i>		
Series A	19.78	18.82
Series O	19.27	18.45
Series F	19.65	18.53

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

On behalf of the Fund Manager,
Morguard Lincluden Global Investments Limited, as Trustee:



Paula Darling
Vice President



Scott Connell
Senior Vice President

Lincluden Balanced Fund

Statements of Comprehensive Income

For the years ended December 31	2025	2024
	\$	\$
INCOME		
Interest for distribution purposes	1,394,516	1,341,111
Dividend income	1,658,380	1,624,099
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on investments	6,245,669	1,484,025
Net realized gain (loss) on derivatives	(59,088)	(18,043)
Net foreign exchange gain (loss) on cash	5,747	3,062
Net other gain (loss)	2,218	16,183
Change in unrealized on foreign exchange gain (loss) on cash	(15,867)	19,970
Change in unrealized appreciation (depreciation) of investments and derivatives	4,124,840	6,517,896
	13,356,415	10,988,303
EXPENSES [note 6]		
Management fees	371,366	190,704
Audit fees	49,090	47,061
Operating fees	50,513	46,171
Custodial and administrative fees	27,607	22,922
Independent review committee fees	35,000	35,000
Recordkeeping and accounting	89,815	84,026
Commissions and other portfolio transaction costs	21,473	17,890
Withholding expenses	128,981	115,155
Harmonized sales tax	76,491	50,814
	850,336	609,743
Expenses waived or absorbed by manager [note 6]	(228,514)	(189,655)
	621,822	420,088
Increase in net assets attributable to holders of redeemable units	12,734,593	10,568,215
Increase in net assets attributable to holders of redeemable units per class		
Series A	1,167,516	109,676
Series O	2,805,894	3,433,518
Series F	8,761,183	7,025,021
Increase in net assets attributable to holders of redeemable units per unit		
Series A	2.09	1.10
Series O	2.43	2.07
Series F	2.37	1.98

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

Lincluden Balanced Fund

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

For the years ended December 31

Series A	2025 \$	2024 \$
Net assets attributable to holders of redeemable units at beginning of year	10,446,478	522,745
Increase in net assets attributable to holders of redeemable units	1,167,516	109,676
Distributions paid or payable to holders of redeemable units		
From net investment income	(81,390)	(51,404)
From net realized capital gains	(594,579)	-
Total distributions to holders of redeemable units	(675,969)	(51,404)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	1,418,555	10,220,063
Amount received from reinvestment of distributions	605,426	46,091
Amount paid on redemptions of units	(323,535)	(400,693)
Net increase from redeemable unit transactions	1,700,446	9,865,461
Net increase in net assets attributable to holders of redeemable units	2,191,993	9,923,733
Net assets attributable to holders of redeemable units at end of year	12,638,471	10,446,478
Series O	2025 \$	2024 \$
Net assets attributable to holders of redeemable units at beginning of year	21,527,715	28,919,896
Increase in net assets attributable to holders of redeemable units	2,805,894	3,433,518
Distributions paid or payable to holders of redeemable units		
From net investment income	(609,726)	(833,935)
From net realized capital gains	(1,171,675)	-
Total distributions to holders of redeemable units	(1,781,401)	(833,935)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	164,373	1,641,541
Amount received from reinvestment of distributions	1,717,174	812,862
Amount paid on redemptions of units	(2,063,289)	(12,446,167)
Net decrease from redeemable unit transactions	(181,742)	(9,991,764)
Net increase (decrease) in net assets attributable to holders of redeemable units	842,751	(7,392,181)
Net assets attributable to holders of redeemable units at end of year	22,370,466	21,527,715

Lincluden Balanced Fund

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

Series F	2025 \$	2024 \$
Net assets attributable to holders of redeemable units at beginning of year	68,921,398	58,503,816
Increase in net assets attributable to holders of redeemable units	8,761,183	7,025,021
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,757,032)	(1,687,675)
From net realized capital gains	(2,881,036)	-
Total distributions to holders of redeemable units	(4,638,068)	(1,687,675)
Redeemable unit transactions [note 5]		
Amount received from the issuance of units	5,385,919	10,601,775
Amount received from reinvestment of distributions	4,638,063	1,687,675
Amount paid on redemptions of units	(8,047,457)	(7,209,214)
Net increase from redeemable unit transactions	1,976,525	5,080,236
Net increase in net assets attributable to holders of redeemable units	6,099,640	10,417,582
Net assets attributable to holders of redeemable units at end of year	75,021,038	68,921,398

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

Lincluden Balanced Fund

Statements of Cash Flows

For the years ended December 31

	2025	2024
	\$	\$
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable units	12,734,593	10,568,215
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	15,867	(19,970)
Net realized (gain) loss on sale of investments	(6,245,669)	(1,484,025)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(4,124,840)	(6,517,896)
Purchase of investments	(34,419,342)	(25,959,443)
Proceeds from the sale and maturity of investments	35,340,784	22,331,759
Interest receivable	(20,729)	(27,400)
Dividends receivable	16,589	9,500
Prepaid expenses	20,281	(8,082)
Other liabilities	(32,486)	23,385
	3,285,048	(1,083,957)
Financing activities		
Amount received from the issuance of units	6,968,347	22,468,379
Amount paid on redemptions of units	(10,439,930)	(20,944,667)
Distributions paid to unitholders	(35,133)	(16,924)
	(3,506,716)	1,506,788
Change in unrealized on foreign exchange gain (loss) on cash	(15,867)	19,970
Increase (decrease) in cash during the period	(237,535)	442,801
Cash at the beginning of the year	829,048	386,247
Cash at the end of the year	591,513	829,048
Interest received	1,373,787	1,313,711
Dividends received, net of withholding taxes	1,545,988	1,518,444

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

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
COMMON SHARES — 57.40%			
CANADIAN EQUITIES — 29.60%			
Communications Services — 1.60%			
BCE Inc.	27,780	1,424,580	909,517
Cogeco Communications Inc.	658	43,353	43,737
Rogers Communications Inc., Class 'B'	15,305	791,442	792,952
		2,259,375	1,746,206
Consumer Discretionary — 3.30%			
Boyd Group Services Inc.	5,547	1,055,460	1,212,741
Doman Building Materials Group Ltd.	2,535	18,154	23,728
Gildan Activewear Inc.	10,355	480,250	888,355
Magna International Inc.	9,327	641,620	682,456
Martinrea International Inc.	3,127	30,295	32,396
Restaurant Brands International Inc.	8,925	678,781	835,915
		2,904,560	3,675,591
Consumer Staples — 3.30%			
Alimentation Couche-Tard Inc.	12,775	669,778	957,614
Empire Co. Ltd., Class 'A'	12,858	505,319	613,584
North West Co. Inc. (The)	14,691	698,563	718,537
Premium Brands Holdings Corp.	13,376	1,190,917	1,360,473
		3,064,577	3,650,208
Energy — 3.90%			
Advantage Energy Ltd.	3,934	33,327	46,185
Canadian Natural Resources Ltd.	19,188	757,982	892,050
Gibson Energy Inc.	2,355	50,972	59,158
Kraken Robotics Inc.	14,333	32,132	91,731
Logan Energy Corp. of Canada	64,009	47,074	54,408
Pason Systems Inc.	2,620	32,118	31,414
Pembina Pipeline Corp.	19,787	880,326	1,034,662
Peyto Exploration & Development Corp.	3,256	36,672	73,944
Suncor Energy Inc.	13,955	445,943	850,139
TC Energy Corp.	14,880	769,597	1,124,630
		3,086,143	4,258,321
Financial Services — 7.60%			
Bank of Nova Scotia (The)	12,691	912,063	1,284,710
Brookfield Corp., Class 'A'	18,568	629,006	1,170,155
Brookfield Wealth Solutions Ltd.	760	29,301	48,024
BSR REIT	1,578	26,578	27,204
Intact Financial Corp.	3,208	702,572	916,622
Olympia Financial Group Inc.	224	22,501	25,155
Onex Corp.	182	13,728	20,559
Royal Bank of Canada	10,610	1,016,641	2,482,634
StorageVault Canada Inc.	6,417	27,337	29,967
Toronto-Dominion Bank (The)	17,982	1,170,233	2,326,152
		4,549,960	8,331,182
Industrials — 4.70%			
Badger Infrastructure Solutions Ltd.	9,803	393,378	716,893
Canadian National Railway Co.	11,553	1,379,779	1,568,320
Finning International Inc.	13,097	500,221	974,024
Hammond Power Solutions Inc.	5,386	491,874	858,959
Richelieu Hardware Ltd.	776	24,202	30,699
WSP Global Inc.	4,143	695,647	1,029,618
		3,485,101	5,178,513
Information Technology — 2.60%			
Calian Group Ltd.	1,027	43,778	57,019
CGI Inc.	8,138	815,185	1,031,736
Computer Modelling Group Ltd.	125,915	901,392	657,276
Constellation Software Inc.	308	661,648	1,016,831

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Evertz Technologies Ltd.	1,784	21,176	24,691
Gatekeeper Systems Inc.	35,999	27,285	66,598
Information Services Corp., Class 'A'	562	16,325	26,133
		2,486,789	2,880,284
Materials — 2.50%			
AirBoss of America Corp.	5,685	34,136	26,378
Artemis Gold Inc.	1,967	13,136	72,169
Aya Gold & Silver Inc.	3,053	37,481	59,961
CCL Industries Inc., Class 'B'	11,491	677,658	996,270
K92 Mining Inc.	2,397	24,334	54,388
Major Drilling Group International Inc.	116,578	1,053,067	1,503,856
Wesdome Gold Mines Ltd.	2,708	26,524	61,580
		1,866,336	2,774,602
Utilities — 0.10%			
Superior Plus Corp.	7,303	47,623	51,413
		47,623	51,413
TOTAL CANADIAN EQUITIES		23,750,464	32,546,320
UNITED STATES EQUITIES — 17.40%			
Communications Services — 2.50%			
Alphabet Inc., Class 'A'	3,304	364,284	1,419,425
Verizon Communications Inc.	12,030	692,493	672,525
Walt Disney Co. (The)	4,377	595,081	683,491
		1,651,858	2,775,441
Consumer Discretionary — 2.90%			
Gentex Corp.	14,079	531,554	449,673
Home Depot Inc. (The)	1,285	509,749	606,898
Lennar Corp., Class 'A'	5,615	1,027,461	792,266
TJX Cos. Inc. (The)	2,615	194,746	551,340
Tractor Supply Co.	4,358	96,802	299,138
Ulta Beauty Inc.	576	307,801	478,314
		2,668,113	3,177,629
Consumer Staples — 1.50%			
Costco Wholesale Corp.	449	337,180	531,439
Walmart Inc.	7,122	417,625	1,089,066
		754,805	1,620,505
Energy — 0.50%			
EOG Resources Inc.	3,809	540,579	548,997
		540,579	548,997
Financial Services — 4.30%			
American Tower Corp.	2,318	629,906	558,588
Bank of America Corp.	11,976	382,860	904,071
Citigroup Inc.	4,295	330,042	687,900
JPMorgan Chase & Co.	1,455	305,396	643,493
Morgan Stanley	3,468	206,521	845,043
U.S. Bancorp	14,564	827,041	1,066,657
		2,681,766	4,705,752
Health Care — 2.70%			
Johnson & Johnson	2,300	379,784	653,313
Pfizer Inc.	23,252	952,571	794,672
Thermo Fisher Scientific Inc.	1,178	652,200	936,892
UnitedHealth Group Inc.	1,357	753,966	614,846
		2,738,521	2,999,723
Industrials — 0.90%			
Jacobs Solutions Inc.	5,301	929,047	963,764
		929,047	963,764

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Information Technology — 2.10%			
Cisco Systems Inc.	6,280	339,453	663,969
Corning Inc.	5,651	182,663	679,140
Microsoft Corp.	1,509	270,848	1,001,663
		792,964	2,344,772
TOTAL UNITED STATES EQUITIES		12,757,653	19,136,583
INTERNATIONAL EQUITIES — 10.40%			
Finland — 0.50%			
Nordea Bank ABP	22,659	280,125	587,898
		280,125	587,898
France — 3.20%			
Compagnie Generale des Etablissements Michelin	11,428	484,017	521,855
Orange SA, ADR	27,385	471,767	627,332
Sanofi SA, ADR	9,622	569,573	639,996
Thales SA	1,644	268,193	609,385
TotalEnergies SE	3,261	293,146	292,812
Vinci SA	4,133	500,394	800,327
		2,587,090	3,491,707
Germany — 2.40%			
Henkel AG & Co. KGaA	7,851	795,202	823,149
SAP SE	2,552	429,415	857,658
Siemens AG, ADR	4,861	480,224	933,741
		1,704,841	2,614,548
Israel — 0.00%			
Zoomd Technologies Ltd.	22,410	41,599	26,892
		41,599	26,892
Italy — 0.60%			
Prysmian SPA	4,692	228,212	653,749
		228,212	653,749
Japan — 0.90%			
Murata Manufacturing Co. Ltd.	35,291	784,777	1,003,779
		784,777	1,003,779
Netherlands — 0.70%			
ING Groep NV, ADR	19,425	261,730	746,530
		261,730	746,530
Spain — 0.70%			
Amadeus IT Group SA	7,501	725,698	760,318
		725,698	760,318
United Kingdom — 1.40%			
Diageo PLC, ADR	6,008	999,291	711,406
GSK PLC, ADR	7,861	494,509	529,123
Shell PLC, ADR	3,028	191,620	305,389
		1,685,420	1,545,918
TOTAL INTERNATIONAL EQUITIES		8,299,492	11,431,339
TOTAL EQUITIES		44,807,609	63,114,242
BONDS — 39.60%			
Government of Canada — 10.10%			
Government of Canada, 2.500%, 01/12/32	8,585,000	8,045,497	8,217,952
Government of Canada, 3.250%, 01/06/35	1,100,000	1,092,325	1,088,138

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Government of Canada, 1.750%, 01/12/53	2,430,000	1,660,511	1,560,668
Government of Canada, 2.750%, 01/12/55	280,000	226,576	225,514
		11,024,909	11,092,272
Provincial Government — 14.00%			
OMERS Finance Trust, 1.550%, 21/04/27	190,000	189,812	187,320
Province of British Columbia, 2.200%, 18/06/30	440,000	436,418	424,141
Province of British Columbia, 2.950%, 18/06/50	700,000	532,000	527,007
Province of British Columbia, 4.600%, 18/06/57	370,000	369,338	368,325
Province of Ontario, 2.600%, 02/06/27	1,695,000	1,773,167	1,696,508
Province of Ontario, 2.700%, 02/06/29	274,942	301,307	273,042
Province of Ontario, 2.050%, 02/06/30	2,425,000	2,224,983	2,323,666
Province of Ontario, 3.750%, 02/06/32	2,160,000	2,122,975	2,206,855
Province of Ontario, 2.650%, 02/12/50	2,200,000	1,575,640	1,568,456
Province of Ontario, 3.750%, 02/12/53	585,000	530,649	508,328
Province of Quebec, 2.300%, 01/09/29	1,545,000	1,514,311	1,509,558
Province of Quebec, 3.600%, 01/09/33	1,455,000	1,357,591	1,454,407
Province of Quebec, 3.100%, 01/12/51	2,185,000	1,722,065	1,671,242
Province of Saskatchewan, Series 'GC', 4.750%, 01/06/40	700,000	710,241	734,501
		15,360,497	15,453,356
Municipal Government — 0.90%			
Aéroports de Montréal, Series 'R', Callable, 3.030%, 21/04/50	230,000	168,201	172,180
City of Toronto, 2.650%, 09/11/29	220,000	239,624	217,307
Greater Toronto Airports Authority, Series '97-3', 6.450%, 03/12/27	30,000	40,286	31,880
Greater Toronto Airports Authority, Callable, 3.260%, 01/06/37	430,000	358,749	386,856
Regional Municipality of York, 1.700%, 27/05/30	130,000	129,869	122,393
		936,729	930,616
Corporate Bonds — 13.30%			
407 International Inc., Callable, 2.430%, 04/05/27	365,000	383,966	364,027
407 International Inc., 5.960%, 03/12/35	160,000	172,816	182,336
407 International Inc., Callable, 3.830%, 11/05/46	230,000	192,988	200,788
Alectra Inc., Series 'A', Callable, 2.488%, 17/05/27	135,000	135,000	134,443
AltaGas Ltd., Callable, 4.120%, 07/04/26	60,000	59,966	60,011
AltaGas Ltd., Callable, 3.980%, 04/10/27	175,000	175,680	177,246
AltaGas Ltd., Callable, 2.075%, 30/05/28	80,000	80,000	77,948
AltaLink L.P., Callable, 5.249%, 22/09/36	160,000	163,618	172,836
Bank of Montreal, Callable, 4.709%, 07/12/27	830,000	813,127	854,602
Bank of Montreal, Variable Rate, Callable, 3.731%, 03/06/31	210,000	211,260	211,166
Bank of Nova Scotia (The), 3.100%, 02/02/28	630,000	590,776	630,983
Bank of Nova Scotia (The), Floating Rate, Callable, 3.836%, 26/09/30	230,000	230,000	233,051
Bank of Nova Scotia (The), Variable Rate, Callable, 4.442%, 15/11/35	90,000	89,996	91,848
Bell Canada, 2.500%, 14/05/30	225,000	224,432	216,529
Bell Canada, Callable, 5.150%, 09/02/53	180,000	180,990	176,751
Canadian Imperial Bank of Commerce, Callable, 5.050%, 07/10/27	450,000	447,930	464,771
Canadian Imperial Bank of Commerce, Variable Rate, Callable, 3.800%, 10/12/30	500,000	503,650	505,520
Canadian National Railway Co., Callable, 3.200%, 31/07/28	130,000	129,405	130,543
Canadian National Railway Co., Callable, 3.000%, 08/02/29	50,000	49,769	49,940
Canadian National Railway Co., Callable, 4.200%, 10/06/35	35,000	34,941	35,057
CCL Industries Inc., Series '1', Callable, 3.864%, 13/04/28	40,000	40,000	40,293
Choice Properties REIT, Series 'M', Callable, 3.532%, 11/06/29	225,000	227,777	225,731
CU Inc., 4.543%, 24/10/41	165,000	154,734	162,375
Enbridge Inc., Callable, 2.990%, 03/10/29	355,000	335,369	349,939
Enbridge Inc., Callable, 3.100%, 21/09/33	275,000	231,605	256,829
Enbridge Inc., Series 'C', Variable Rate, Callable, 6.625%, 12/04/78	70,000	75,894	73,975
ENMAX Corp., Series '4', Callable, 3.836%, 05/06/28	60,000	60,000	60,711
FortisBC Energy Inc., Callable, 3.375%, 13/04/45	170,000	132,515	139,448
Genworth MI Canada Inc., Callable, 2.955%, 01/03/27	75,000	74,999	74,976
Great-West Lifeco Inc., Callable, 3.337%, 28/02/28	65,000	65,000	65,417
Great-West Lifeco Inc., Callable, 2.379%, 14/05/30	150,000	150,000	145,244
Hydro One Inc., Callable, 4.390%, 01/03/34	125,000	128,603	128,729
Hydro One Inc., 4.390%, 26/09/41	305,000	282,491	295,014
Hydro One Inc., Callable, 3.100%, 15/09/51	165,000	127,613	123,253
Inter Pipeline Ltd., Callable, 3.484%, 16/12/26	40,000	40,169	40,156
Inter Pipeline Ltd., Callable, 4.232%, 01/06/27	74,000	74,000	74,801
Keyera Corp., Callable, 3.934%, 21/06/28	60,000	60,000	60,792
Keyera Corp., Series '6', Callable, 4.204%, 15/04/33	300,000	299,994	297,747

Lincluden Balanced Fund

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2025

	Number of Shares/ Par Value	Average Cost (\$)	Fair Value (\$)
Loblaw Cos. Ltd., Callable, 2.284%, 07/05/30	30,000	30,000	28,882
Manulife Financial Corp., Series '1', Variable Rate, Callable, 3.375%, 19/06/81	145,000	145,000	139,529
Metro Inc., Callable, 3.390%, 06/12/27	205,000	204,879	206,230
NAV Canada, Callable, 2.924%, 29/09/51	160,000	116,043	117,018
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'J', Callable, 2.800%, 01/06/27	95,000	94,110	94,785
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'H', Callable, 4.150%, 01/06/33	215,000	217,195	217,259
North West Redwater Partnership / NWR Financing Co. Ltd., Series 'I', Callable, 4.350%, 10/01/39	270,000	242,916	261,409
Pembina Pipeline Corp., Series '10', Callable, 4.020%, 27/03/28	540,000	542,274	548,031
Pembina Pipeline Corp., Series '15', Callable, 3.310%, 01/02/30	50,000	49,962	49,576
Pembina Pipeline Corp., Series '11', Callable, 4.750%, 26/03/48	100,000	92,290	93,362
Reliance L.P., Callable, 3.750%, 15/03/26	115,000	114,627	115,082
Reliance L.P., Callable, 2.680%, 01/12/27	60,000	59,989	59,478
RioCan REIT, Series 'AD', Callable, 1.974%, 15/06/26	55,000	55,000	54,837
Rogers Communications Inc., Callable, 3.750%, 15/04/29	280,000	280,420	282,313
Rogers Communications Inc., Callable, 3.250%, 01/05/29	127,000	120,193	126,316
Royal Bank of Canada, 2.328%, 28/01/27	1,180,000	1,121,320	1,175,927
Royal Bank of Canada, Variable Rate, Callable, 4.000%, 17/10/30	280,000	280,476	285,451
Sun Life Financial Inc., Variable Rate, Callable, 2.580%, 10/05/32	40,000	39,985	39,760
Sun Life Financial Inc., Series '21-1', Variable Rate, Callable, 3.600%, 30/06/81	70,000	70,000	67,298
TELUS Corp., Callable, 2.050%, 07/10/30	285,000	270,053	266,931
TELUS Corp., Callable, 4.750%, 17/01/45	180,000	154,269	171,078
Toronto-Dominion Bank (The), 5.491%, 08/09/28	260,000	268,398	275,073
Toronto-Dominion Bank (The), Variable Rate, Callable, 4.002%, 31/10/30	370,000	370,074	376,836
Toronto-Dominion Bank (The), Floating Rate, Callable, 3.060%, 26/01/32	1,215,000	1,193,368	1,216,528
TransCanada PipeLines Ltd., Callable, 3.800%, 05/04/27	380,000	391,864	382,868
TransCanada PipeLines Ltd., Callable, 4.350%, 06/06/46	260,000	206,380	233,221
Westcoast Energy Inc., Series 'W', 7.300%, 18/12/26	125,000	122,360	129,938
WSP Global Inc., Callable, 4.120%, 12/09/29	45,000	45,000	45,847
		14,329,518	14,646,689
International — 1.30%			
United States Treasury Bond, 3.625%, 15/02/53	1,310,000	1,528,135	1,462,769
		1,528,135	1,462,769
TOTAL BONDS		43,179,788	43,585,702
SHORT-TERM INVESTMENTS — 2.20%			
Government of Canada Treasury Bill, 2.150%, 11/03/26	500,000	497,310	497,951
United States Government Treasury Bill, 3.828%, 29/01/26	1,100,000	1,524,347	1,505,413
United States Government Treasury Bill, 2.704%, 12/03/26	300,000	409,427	408,915
		2,431,084	2,412,279
TRANSACTION COSTS		(38,940)	
TOTAL INVESTMENT PORTFOLIO — 99.20%		90,379,541	109,112,223
DERIVATIVE ASSETS — 0.00%			25,495
OTHER ASSETS, NET OF LIABILITIES — 0.80%			892,257
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS — 100.00%			110,029,975

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2025

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. Morguard Lincluden Global Investments Limited (Formerly, Lincluden Investment Management Limited) acts as the Trustee and Investment Manager of the Fund (the "Fund Manager").

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

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

2. BASIS OF PREPARATION

Basis of Accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

These financial statements were authorized for issue by the Board of Directors of the Fund Manager on March 30, 2026

Basis of measurement

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

Functional and presentation currency

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

3. CHANGES IN MATERIAL ACCOUNTING POLICIES

No changes to material accounting policies.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

4. MATERIAL ACCOUNTING POLICIES

Financial Instruments

(i) Recognition, measurement and classification

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

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

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

(ii) Fair value measurement

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

The Fund may enter into forward foreign exchange contracts with the intention to offset or reduce exchange rate risks associated with the investments. The value of these forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out and recorded as a derivative asset/liability in the statements of financial position. When the forward contracts are closed out or mature, realized gains or losses on forward contracts are recognized and are included in the statement of comprehensive income.

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

(iii) Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund derecognises a liability when its contractual obligations are discharged, cancelled or expire.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

(iv) Offsetting

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

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

Cash

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

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

Cost of investments

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

Foreign currency translation

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

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, 2025, the Fund has no non-capital losses (December 31, 2024 – nil) and no capital losses carrying forward (December 31, 2024 - 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, 2024 -17%).

Redeemable Units

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

Net assets attributable to holders of redeemable units is calculated for each series of units of the Fund by taking the respective series' proportionate share of the Fund's net assets and dividing by the number of units of that class outstanding on the valuation date. The increase (decrease) in net assets attributable to holders of redeemable units per unit by series in the statements of comprehensive income represents the change in net assets attributable to holders of redeemable units from operations divided by the weighted average number of units of that series outstanding during the reporting period. Income, expenses other than management fees, and realized and unrealized capital gains (losses) are distributed amongst the different classes of units in proportion to the amount invested in them.

Receivable for investments sold/Payable for investments purchased

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

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the Fund Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The most significant accounting judgement and estimate that the Fund has made in preparing the financial statements is determining the fair value measurement of derivatives and investments. See note 10 for more information on the fair value measurement of the Fund's financial instruments.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

6. REDEEMABLE UNITS

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

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

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

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

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

Unit transactions for the years ended December 31, 2025 and December 31, 2024 are as follows:

	December 31, 2025	December 31, 2024
Series A	Number of Units	Number of Units
Opening	555,121	30,109
Subscriptions	69,247	544,024
Distributions reinvested	30,639	2,458
Redemptions	(16,003)	(21,470)
Closing	639,004	555,121
Average	559,935	99,431

	December 31, 2025	December 31, 2024
Series O	Number of Units	Number of Units
Opening	1,166,674	1,706,408
Subscriptions	8,711	93,773
Distributions reinvested	89,178	45,592
Redemptions	(103,852)	(679,099)
Closing	1,160,711	1,166,674
Average	1,156,981	1,654,990

	December 31, 2025	December 31, 2024
Series F	Number of Units	Number of Units
Opening	3,719,083	3,436,740
Subscriptions	279,613	599,167
Distributions reinvested	237,445	93,966
Redemptions	(417,546)	(410,790)
Closing	3,818,595	3,719,083
Average	3,699,879	3,552,069

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

7. FOREIGN EXCHANGE FORWARD CONTRACTS

The Fund may utilize foreign exchange forward contracts in the management of currency risk associated with its investment in non-Canadian dollar denominated securities. The objective is to protect the Fund from the possibility of capital losses on foreign currency denominated investments due to increases in the value of the Canadian dollar. However, credit and market risks associated with foreign exchange forward contracts potentially expose the Fund to losses.

Currency risks relate to the possibility that foreign exchange forward contracts change in value due to fluctuations in currency prices. The foreign exchange forward contracts are marked-to-market daily and the resulting unrealized gains or losses are recognized in the statement of net assets attributable to holders of redeemable units.

The result of employing foreign exchange forward contracts is that the foreign exchange gains and losses in the securities portfolio move substantially in opposite directions from the gains and losses in the hedging portfolio.

As at December 31, 2025, the Fund held the following foreign exchange forward contracts.

Forward Foreign Currency Contracts

Currency to Deliver	Amount to Deliver	Currency to Purchase	Amount to Purchase	December 31, 2025 market value of purchase (CAD)	Unrealized Gain (Loss) (CAD)	Contract Expiry Date
USD	\$1,065,000	CAD	\$1,486,101	\$1,460,606	\$25,495	Jan-26
Net unrealized gain (loss) on foreign exchange forward contracts					\$25,495	

As at December 31, 2024, the Fund held the following foreign exchange forward contracts.

Forward Foreign Currency Contracts

Currency to Deliver	Amount to Deliver	Currency to Purchase	Amount to Purchase	December 31, 2024 market value of purchase (CAD)	Unrealized Gain (Loss) (CAD)	Contract Expiry Date
USD	\$1,108,000	CAD	\$1,526,602	\$1,591,477	\$(64,875)	Jan-25
Net unrealized gain (loss) on foreign exchange forward contracts					\$(64,875)	

Offsetting Arrangements

In the normal course of business, the Fund may enter into various master netting arrangements or other similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. The following table shows financial instruments that may be eligible for offset as at December 31, 2025. The "Net" column displays what the net impact would be on the statement of financial position if all amounts were offset.

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

Offsetting Arrangements

As at December 31, 2025

Financial Assets and Liabilities	Amounts Offset (\$)		Net Amounts	Amounts Not Offset (\$)		Net
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset		Financial Instruments	Cash Collateral Received (Pledged)	
Derivative assets	25,495	–	25,495	–	–	25,495
Derivative liabilities	–	–	–	–	–	–
Total	25,495	–	25,495	–	–	25,495

As at December 31, 2024

Financial Assets and Liabilities	Amounts Offset (\$)		Net Amounts	Amounts Not Offset (\$)		Net
	Gross Assets (Liabilities)	Gross Assets (Liabilities) Offset		Financial Instruments	Cash Collateral Received (Pledged)	
Derivative assets	–	–	–	–	–	–
Derivative liabilities	(64,875)	–	(64,875)	–	–	(64,875)
Total	(64,875)	–	(64,875)	–	–	(64,875)

8. RELATED PARTY TRANSACTIONS AND FUND EXPENSES

Management Fees and Other Expenses

Each series of the Fund is allocated its own expenses and its proportionate share of the Fund's expenses that are common to all series. Expenses may include legal fees, audit fees, custodial, recordkeeping and administrative fees, taxes and servicing costs. The Fund Manager may absorb some or all of these expenses. The absorbed expenses are reflected in the statement of comprehensive income and were \$228,514 for the year ended December 31, 2025 (December 31, 2024 - \$189,655). 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. As at December 31, 2025, management fees for Series A and F combined total \$371,366 (December 31, 2024 - \$190,704)

As at December 31, 2025, management fees payable for Series A and F combined is \$38,135 (December 31, 2024 - \$34,287).

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, 2025 (December 31, 2024 - \$35,000).

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

Related Party Share holdings

Directors of the Fund and employees of the Investment Manager held 23,195 redeemable units in the Fund as at December 31, 2025 (December 31, 2024 – 105,664).

9. TRANSACTION COSTS

The total brokerage fees and commissions paid on the purchase and sale of investments for the year ended December 31, 2025 amounted to \$21,473 (December 31, 2024 - \$17,890). The Fund recognizes that it has a duty to its clients to seek the most favourable execution terms that are reasonably available given the circumstances of each trade. While the ability to trade, at the best price is normally the most important consideration in determining best execution, consideration is also given to the full range and quality of a broker's services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness.

The brokerage commissions paid on securities transactions may include "soft dollar" amounts, such as the value of research and other services provided by the broker. Although the Manager uses best efforts to determine the soft dollar portion of commissions paid on portfolio transactions of the Fund, the soft dollar portion, in some instances, is not ascertainable. The Fund paid soft dollar amounts of \$1,502 (December 31, 2024 – \$795) during the reported period.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

Currency risk

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

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

Currency Risk December 31, 2025

	Currency risk exposed holdings	Forward foreign exchange contracts	Total Exposure	As a % of Net Assets
U.S. Dollar	27,615,936	(1,460,606)	26,155,330	23.77%
Euro	5,677,836	—	5,677,836	5.16%
Japanese Yen	1,003,779	—	1,003,779	0.91%
British Pound	46,233	—	46,233	0.04%

Currency Risk December 31, 2024

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

As at December 31, 2025, 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 \$1,644,159 (December 31, 2024 - \$1,531,584). 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, 2025

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, 2025:

	Less than 1 year	1-3 years	3-5 years	> 5 years	Total
Bonds	400,025	7,869,653	8,058,213	27,257,811	43,585,702

Interest Rate Risk

December 31, 2024:

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

As at December 31, 2025, had the prevailing interest rates raised or lowered by 1%, with all other variables held constant, net assets attributable to holders of redeemable units would have decreased or increased, respectively, by \$3,295,017 (December 31, 2024 - \$3,148,765).

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

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, 2025 and December 31, 2024, the Fund invested in debt securities with the following credit characteristics:

Credit Risk

Bond Ratings	Percentage of Net Assets	
	December 31, 2025	December 31, 2024
AAA	10.36%	10.97%
AA	10.10%	14.77%
A	13.32%	7.67%
BBB	5.83%	5.90%
Total	39.61%	39.31%

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

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

Other market risk

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

As at December 31, 2025, a 5% change in stock prices would have changed the Fund's net assets attributable to holders of redeemable units by \$3,155,712 (December 31, 2024 – \$2,897,640) with all other factors held constant. In practice, the actual 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, 2025

Liquidity risk

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

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

Fair Values of Financial Instruments

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Fund determines fair values using other valuation techniques

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

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

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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, 2025, there were no securities transferred from Level 1 to Level 2 (December 31, 2024 – nil). During the year ended December 31, 2025, there were no securities transferred from Level 2 to Level 1 (December 31, 2024 – 20,913).

The Fund did not have any Level 3 investments as at December 31, 2025 (December 31, 2024 – nil).

LINCLUDEN BALANCED FUND

NOTES TO FINANCIAL STATEMENTS (continued)

Year Ended December 31, 2025

The following is a summary of the inputs used in valuing the Fund's investments carried at fair values as of December 31, 2025 and December 31, 2024:

Fair Value Hierarchy

As at December 31, 2025

	(Level 1)	(Level 2)	(Level 3)	Total
Equities	\$ 63,114,242	\$ –	\$ –	\$ 63,114,242
Bonds	–	43,585,702	–	43,585,702
Short-Term Investments	–	2,412,279	–	2,412,279
Total Investments	\$ 63,114,242	\$ 45,997,981	\$ –	\$ 109,112,223
Derivatives	\$ –	\$ 25,495	\$ –	\$ 25,495
	\$ 63,114,242	\$ 46,023,476	\$ –	\$ 109,137,718

As at December 31, 2024

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

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

11. CAPITAL MANAGEMENT

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

12. COMPARATIVE INFORMATION

The presentation of certain disclosures on the statement of cash flows have been reclassified from prior year, as it was determined by management that this would more accurately reflect the presentation of the Funds cash and cash equivalents. Certain prior year amounts have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported results of operations or net assets attributable to holders of redeemable units.