

Lincluden Balanced Fund



Semi-Annual Management Report of Fund Performance For the six months ended June 30, 2025

Dear Investor,

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You may receive a copy of the annual financial statements, at your request, and at no cost, by calling 905-273-4240 (1-844-373-4240), by writing to us at Lincluden Investment Management Limited, 201 City Centre Drive, Suite 201, Mississauga, Ontario, L5B 2T4, email info@lincluden.net or by visiting our website at www.lincluden.com or SEDAR at www.sedar.com.

You may request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by contacting us using one of the methods offered above.

*Lincluden Investment Management Limited
Manager of the Lincluden Balanced Fund*

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The objective of the Lincluden Balanced Fund (the "Fund") is to create long-term wealth for the Fund's investors using value-based, risk managed disciplines. Success at achieving the Fund's objective requires disciplined asset allocation and security selection approaches.

The development of tactical asset mix policy is an approach that has balanced inputs. It reflects a marrying of top down with bottom up inputs. We consider the valuation of equity markets relative to a risk-free rate; which for purposes of the valuation represents long term Government of Canada bond yields. We give consideration to inflation and corporate profitability and the valuation of the bond market itself in this process.

Equally important in final asset allocation policy, and particularly so in the allocation of equities between Canadian equities and foreign equities, is the opportunity set of attractively priced equities that we are identifying on a global basis.

Our portfolio managers screen a broad universe of Canadian, U.S. and international stocks in our ongoing search for undervalued securities. Investment decisions are based on a thorough financial assessment of corporations and their management teams to identify securities that are trading at a substantial discount to our appraisal of their fair value.

Our fixed income portfolios are structured to achieve the most efficient combination of duration, credit, yield curve and foreign exposure from a long-term, risk-reward perspective.

In searching for the best value opportunities in fixed income markets, we consider both domestic and foreign securities. When we find better value opportunities in foreign markets, our preference is to eliminate foreign exchange risk through the use of hedging.

Risk

Risk ratings have been determined separately for each class of units of the Fund and are disclosed in the Fund Facts and the Fund's Simplified Prospectus. The investment risk level of the Fund is reviewed on an annual basis, or whenever there is a material change to the Fund. More methodology information can be found in the Fund's Simplified Prospectus. As a result of employing the revised methodology and conducting the regular annual review, no changes were made to the risk ratings for all classes of units, for which the risk rating was maintained as "Low to Medium". There have been no changes to the investment objectives or strategies of the Fund.

Results of Operations

With regard to bonds, massive tariffs were announced on goods imported into the U.S. from countries around the world. This caused major disruption in global financial markets, given the potential negative impact that these tariffs would have on both economic activity and inflationary pressures moving forward. A pause of the original tariff plan for 90 days was given in the hope that individual deals could be negotiated separately with countries around the world. Both the Bank of Canada and the U.S. Federal Reserve left interest rates unchanged during the quarter. The central banks are trying to gauge the negative impact that the tariffs will have on economic growth while at the same time trying to limit inflationary pressures that could result from the higher tariffs. Both central banks would like to see how the proposed tariffs will impact these key economic drivers before implementing any further rate moves. Inflation continues to be fairly well-contained, with the latest figures showing Canadian CPI at 1.7% and the U.S. at 2.4%. Economic growth remains modest, however, data is starting to reflect a slower growth trajectory going forward. The yield curve steepened as the front end of the curve fell while longer dated bond yields rose. Equity markets suffered dramatic losses to begin the second quarter but experienced a strong turnaround through the balance of the first half. The EAFE market was the top performer through the first half showing a pronounced shift away from U.S. market leadership which had been a trend over the past few years.

For the first 6 months of the year, the Fund posted a positive absolute return in line with its benchmark. The bond portfolio slightly outperformed its benchmark. Equities continued their solid performance in the first half led by outperformance in foreign equities.

The S&P/TSX Composite Index performed well in the first 6 months of 2025 increasing more than 10%. The index was helped by the 43% advance in the Gold Equity sub-index and Banks, which increased over 11% as a group. The Canadian portion of the portfolio increased over 5% but lagged the benchmark primarily due to a lack of gold equity exposure. The overall return for the period masks significant volatility during the 6-months brought on by the potential for new U.S. tariffs on most countries. The broader equity market declined 8.3% around the time of the tariff announcements and then subsequently rallied 20%.

The portfolio benefited from significant increases in Toronto-Dominion Bank, Fanning International and Badger Infrastructure Solutions which more than offset declines in Computer Modelling Group and Vermilion Energy.

Fanning International has been on a long-term journey to improve its business, and investors are finally taking notice. Recent quarterly results highlighted strength, particularly in Product Support and its South American operations, validating their strategic direction. Toronto-Dominion Bank continued its strong performance from the previous quarter. The bank's valuation is normalizing as new management addresses past anti-money laundering issues in the U.S. At 1.5x book value, there is still potential for further valuation improvement. Badger Infrastructure Solutions' stock increased significantly, as latest results continued to show substantial organic growth as non-destructive hydrovac excavation services enjoyed broadening adoption. Badger is the largest hydrovac service provider in North America and enjoys considerable scale advantages.

Global equity markets increased over the period by 9.5% in U.S. Dollar terms but general weakness in the currency saw the Canadian Dollar increase over 5%. As a result, the index increased 3.9% in Canadian dollar terms. The Global portion of the portfolio advanced greater than 7%. Performance was helped by holdings in Industrials, Information Technology and Financials which more than offset holdings in the Healthcare sector. Specifically, Thales SA, ING Groep NV and Nordea Bank ABP increased substantially with an improved view on potential growth in the European economy.

Recent Developments

The bond portfolio slightly outperformed its benchmark. The position in U.S Treasuries was the major contributor to relative performance as their spread to equivalent Government of Canada bonds tightened during the period. Secondary contributors included the overweight position in corporate bonds, which helped performance as the spread between corporate bonds and Government of Canada bonds also tightened during the period. Yield curve positioning and duration were both slight negatives to relative performance as the yield curve steepened as short rates declined while longer rates rose. The portfolio is positioned for rates to fall and for the yield curve to flatten.

Asset mix is targeted slightly below long-term policy weight with total equities at 58%, compared to the long-term target of 60%. Fixed income continues to be managed to the target weight of 40%.

During the period the portfolio transactions for Canadian equities were primarily focussed on existing holdings. Canadian Imperial bank of Commerce was the only name eliminated and exposure to Brookfield Corp., Empire Co. and Finning International was reduced. Proceeds were put into Hammond Power Solutions, Rogers Communications and Computer Modelling Group.

The significant volatility created a busy period for the global holdings with five names added to the portfolio and two eliminated. The portfolio added American Tower Corp., Jacobs Solutions Inc., Murata Manufacturing Co., Thermo Fisher Scientific Inc. and Ulta Beauty Inc. American Tower is one of the largest global real estate investment trusts and a leading owner, operator and developer of multitenant communications real estate. The company rents space on towers and rooftop antenna systems to wireless carriers and radio and TV broadcasters who use the infrastructure to enable their services. It owns and operates over 149,000 communications sites in the US, Canada, Africa, Europe and Latin America.

Jacobs Solutions is a global provider of advisory and consulting services and serves diverse sectors. The business is supported by 45,000 employees who generate over \$11 billion in revenue and with a robust backlog of \$22 billion the business is well supported against near term uncertainty around trade tariffs.

Murata Manufacturing Co. is the world's largest manufacturer of passive components. Its strength lies in its technical know-how with ceramics and other key materials that are the building blocks for passive components. Their leading market share in approximately 70% of its sales demonstrates a competitive advantage. They make a wide range of products, including inductors, capacitors that are critical components in electronics systems.

Thermo Fisher Scientific supplies scientific instruments, laboratory equipment, and diagnostics consumables to the healthcare and medical research sectors. Heightened competitive dynamics in China and uncertainty regarding U.S. research funding pressured the shares to a level we found attractive.

Ulta Beauty, is a well-established retailer of beauty products, salon styling tools, and professional hair products. They operate over 1,300 U.S. stores and leverages its strong brand to generate approximately 20% of its revenue through online sales. Over the past six months, new management has focused on enhancing business performance, with recent results confirming their success through improving same-store sales and gross margins.

In addition to eliminating Axa SA and Amentum Holdings, the portfolio significantly reduced Oracle Corp., Thales SA, and Kroger. Proceeds helped fund the new positions and increased positions in United Health Group and Walmart.

Related Party Transactions

Lincluden Investment Management Limited ("Lincluden") is the Trustee, Portfolio Advisor and Manager of the Fund, receiving a fee for the services the firm provides as Portfolio Advisor. Lincluden pays commissions to investment dealers who transact in buy and sell activity in the Fund's investments at a rate that is reflective of the general service provided to Lincluden by the dealer. The quality of service is generally measured related to the execution capabilities of the dealer but may also reflect the quality of investment research made available by the dealer. Lincluden provides, or arranges for the provision of, all general management and administrative services required by the Fund in its day to day operations.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Lincluden Balanced Fund and are intended to help you understand the Fund's financial performance for the past 5 financial years. This information is derived from the Fund's audited annual financial statements.

Net Assets per Unit– Series A						
	Interim (June 2025)	2024	2023	2022	2021	2020
Net Assets, beginning of year ^{1, 2}	\$18.82	\$17.36	\$16.34	\$17.98	\$15.81	\$14.93
Increase (decrease) from operations:						
Total revenue	\$0.30	\$0.59	\$0.49	\$0.48	\$0.42	\$0.42
Total expenses	\$(0.21)	\$(0.39)	\$(0.38)	\$(0.39)	\$(0.38)	\$(0.33)
Realized gains (losses) for the period	\$0.53	\$0.15	\$0.31	\$0.87	\$1.20	\$0.52
Unrealized gains (losses) for the period	\$0.10	\$0.75	\$0.77	\$(1.65)	\$1.18	\$0.26
Total increase (decrease) from operations ¹	\$0.72	\$1.10	\$1.19	\$(0.69)	\$2.42	\$0.87
Distributions:						
From income (excluding dividends)	\$0.09	\$0.17	\$0.07	\$0.06	\$0.03	\$0.05
From dividends	-	\$0.09	\$0.04	\$0.03	\$0.02	\$0.05
From capital gains	-	-	\$0.08	\$0.87	\$0.05	-
Return of capital	-	-	-	-	-	-
Total annual distributions ^{3, 4}	\$0.09	\$0.26	\$0.19	\$0.96	\$0.10	\$0.10
Net Assets, end of period ^{1, 2, 5}	\$19.45	\$18.82	\$17.36	\$16.34	\$17.98	\$15.81

Net Assets per Unit– Series F (Series F units established December 8, 2017)						
	Interim (June 2025)	2024	2023	2022	2021	2020
Net Assets, beginning of year ^{1, 2}	\$18.53	\$17.02	\$16.02	\$17.54	\$16.17	\$15.62
Increase (decrease) from operations:						
Total revenue	\$0.31	\$0.56	\$0.48	\$0.47	\$0.43	\$0.44
Total expenses	\$(0.05)	\$(0.09)	\$(0.09)	\$(0.09)	\$(0.09)	\$(0.09)
Realized gains (losses) for the period	\$0.52	\$0.28	\$0.27	\$0.85	\$1.22	\$0.56
Unrealized gains (losses) for the period	\$0.09	\$1.23	\$0.84	\$(1.62)	\$1.07	\$0.26
Total increase (decrease) from operations ¹	\$0.87	\$1.98	\$1.50	\$(0.39)	\$2.63	\$1.17
Distributions:						
From income (excluding dividends)	\$0.26	\$0.32	\$0.24	\$0.25	\$0.20	\$0.20
From dividends	-	\$0.15	\$0.15	\$0.13	\$0.13	\$0.17
From capital gains	-	-	\$0.07	\$0.76	\$0.92	\$0.35
Return of capital	-	-	-	-	-	-
Total annual distributions ^{3, 4}	\$0.26	\$0.47	\$0.46	\$1.14	\$1.25	\$0.72
Net Assets, end of period ^{1, 2, 5}	\$19.14	\$18.53	\$17.02	\$16.02	\$17.54	\$16.17

Net Assets per Unit – Series O						
	Interim (June 2025)	2024	2023	2022	2021	2020
Net Assets, beginning of year ^{1, 2}	\$18.45	\$16.95	\$15.98	\$17.57	\$16.37	\$15.89
Increase (decrease) from operations:						
Total revenue	\$0.29	\$0.56	\$0.49	\$0.48	\$0.43	\$0.45
Total expenses	\$(0.02)	\$(0.04)	\$(0.05)	\$(0.05)	\$(0.04)	\$(0.04)
Realized gains (losses) for the period	\$0.52	\$0.29	\$0.29	\$0.85	\$1.27	\$0.56
Unrealized gains (losses) for the period	\$0.10	\$1.26	\$0.79	\$(1.63)	\$1.04	\$0.34
Total increase (decrease) from operations ¹	\$0.89	\$2.07	\$1.52	\$(0.35)	\$2.70	\$1.31
Distributions:						
From income (excluding dividends)	\$0.29	\$0.35	\$0.27	\$0.28	\$0.24	\$0.23
From dividends	-	\$0.17	\$0.16	\$0.15	\$0.15	\$0.19
From capital gains	-	-	\$0.11	\$0.83	\$1.13	\$0.43
Return of capital	-	-	-	-	-	-
Total annual distributions ^{3, 4}	\$0.29	\$0.52	\$0.54	\$1.26	\$1.52	\$0.85
Net Assets, end of period ^{1, 2, 5}	\$19.05	\$18.45	\$16.95	\$15.98	\$17.57	\$16.37

¹Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted number of units outstanding over the financial period.

² Information is in accordance with IFRS.

³Distributions were paid in cash/reinvested in additional units of the Fund, or both.

⁴The Fund's prospectus provides that, "Each calendar year, the Fund distributes net income and net realized capital gains to Unitholders of the Fund to the extent necessary to ensure the Fund does not pay ordinary income tax. Distributions of income may be made periodically throughout the year on a schedule to be determined by the Manager. Distributions of capital gains are normally made in December of each year. At a minimum, the Fund will effect a distribution on the last business day of the year. Distributions from the Fund will be automatically reinvested in Units of the Fund." Currently net income is distributed on a quarterly basis and net capital gains during the month of December.

⁵The financial highlights are not intended to act as a continuity of the opening and closing net assets per unit.

Ratios and Supplemental Data – Series A						
	Interim (June 2025)	2024	2023	2022	2021	2020
Total net asset value (\$)(000s)	\$10,799	\$10,446	\$523	\$531	\$579	\$546
Number of units outstanding	555,324	555,121	30,109	32,531	32,207	34,534
Management expense ratio (%) ¹	2.05%	2.11%	2.08%	2.08%	2.08%	2.10%
Management expense ratio before absorptions (%) ¹	2.05%	2.22%	2.08%	2.08%	2.08%	2.10%
Portfolio turnover rate (%) ²	12.62%	14.83%	45.79%	30.31%	33.93%	42.49%
Trading expense ratio (%) ³	0.02%	0.02%	0.03%	0.03%	0.04%	0.05%
Net asset value per unit	\$19.45	\$18.82	\$17.36	\$16.34	\$17.98	\$15.81

Ratios and Supplemental Data – Series F (Series F units established Dec 8, 2017)						
	Interim (June 2025)	2024	2023	2022	2021	2020
Total net asset value (\$)(000s)	\$71,545	\$68,921	\$58,504	\$48,502	\$53,622	\$48,009
Number of units outstanding	3,738,381	3,719,083	3,436,740	3,028,488	3,056,372	2,968,867
Management expense ratio (%) ¹	0.35%	0.44%	0.38%	0.39%	0.38%	0.40%
Management expense ratio before absorptions (%) ¹	0.35%	0.55%	0.38%	0.39%	0.38%	0.40%
Portfolio turnover rate (%) ²	12.62%	14.83%	45.79%	30.31%	33.93%	42.49%
Trading expense ratio (%) ³	0.02%	0.02%	0.03%	0.03%	0.04%	0.05%
Net asset value per unit	\$19.14	\$18.53	\$17.02	\$16.02	\$17.54	\$16.17

Ratios and Supplemental Data – Series O						
	Interim (June 2025)	2024	2023	2022	2021	2020
Total net asset value (\$)(000s)	\$22,260	\$21,528	\$28,920	\$28,031	\$30,461	\$26,435
Number of units outstanding	1,168,249	1,166,674	1,706,408	1,754,611	1,733,534	1,614,461
Management expense ratio (%) ¹	0.07%	0.16%	0.10%	0.11%	0.10%	0.12%
Management expense ratio before absorptions (%) ¹	0.07%	0.27%	0.10%	0.11%	0.10%	0.12%
Portfolio turnover rate (%) ²	12.62%	14.83%	45.79%	30.31%	33.93%	42.49%
Trading expense ratio (%) ³	0.02%	0.02%	0.03%	0.03%	0.04%	0.05%
Net asset value per unit	\$19.05	\$18.45	\$16.95	\$15.98	\$17.57	\$16.37

¹ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. It assumes the maximum management fee allowed for in the Fund's Simplified Prospectus.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Management Fees & Dealer Compensation

Series A

Lincluden is entitled to an annual management fee from the series A units of the Fund of 1.75%. A lower fee of 1.25% may apply to larger account balances in the form of a management fee rebate. The management fee for the series A units of the Fund is based on the average daily net asset value of the series A units of the Fund and is payable monthly, in arrears.

To assist with distribution, administration and other client services, Lincluden pays dealers a trailer fee out of the management fees received. The trailer fee is a percentage of the total NAV per unit of all Class A and Class O units held by each dealer's clients. For the six months ended June 30, 2025, approximately 51.3% of the management fees paid to us were used to fund commissions to dealers.

Series F

Lincluden is entitled to an annual management fee from the series F units of the Fund of 0.25%. The management fee for the series F units of the Fund is based on the average daily net asset value of the series F units of the Fund and is payable monthly, in arrears.

Series F units are available only to investors who participate in a qualifying fee-based program with pre-qualified representatives. Minimum investments may apply.

Series O

The Fund pays no management fees to Lincluden. For management services provided by Lincluden, in its role of portfolio advisor to the Fund, the Fund's Series O investors will pay a management fee directly to Lincluden.

The maximum annual management fee before GST/HST (expressed as a percentage of assets under management by Lincluden) payable to Lincluden is 1.75%. A lower fee may apply to larger account balances.

The management fee payable is calculated and accrued on the last valuation date of each month, based on the value of the investor's units on that date, and is payable on the last valuation date in each month. Payment of the investment management fee is generally effected by redemption of units held by the investor in the Fund in the amount of the applicable management fee.

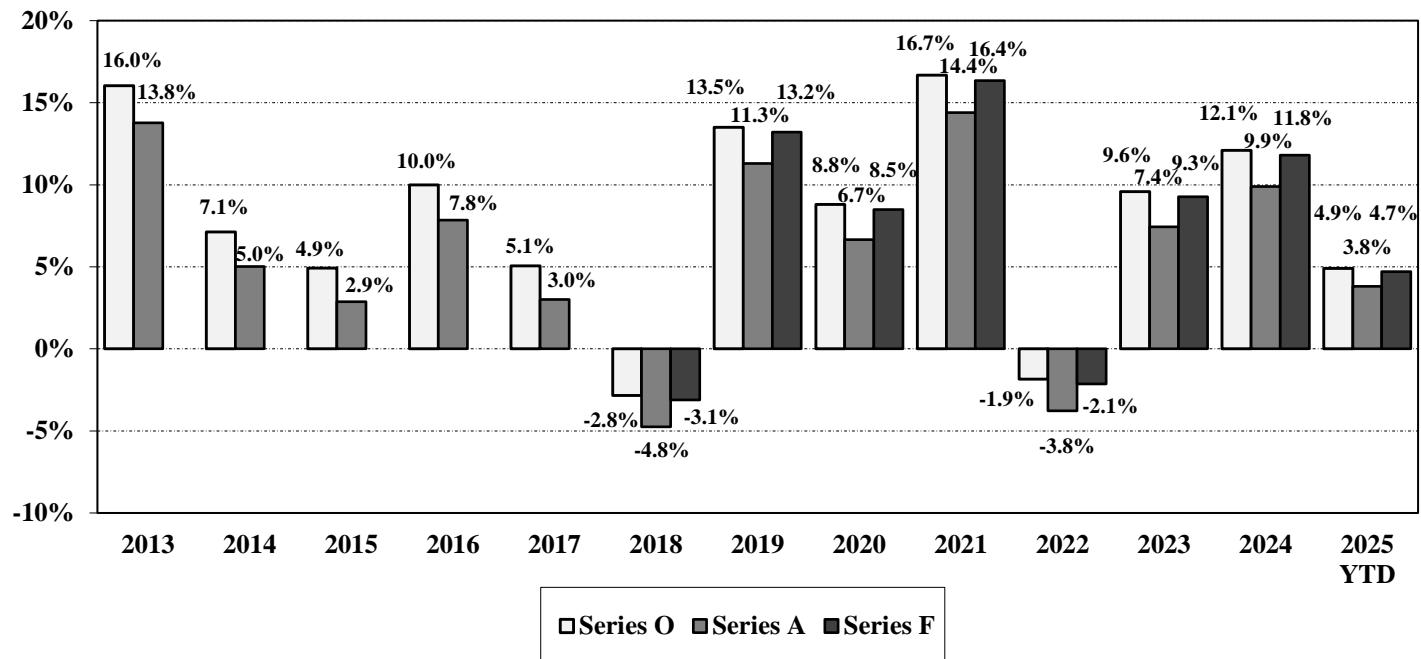
PAST PERFORMANCE

The performance information shown below assumes that all distributions made by the Fund were reinvested in additional units of the Fund. It does not take into account sales, redemption, distributions, optional charges or income taxes payable that, if applicable, would have reduced returns or performance.

The return on mutual funds is not guaranteed. How the Fund performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for each of the periods shown, and illustrates how the Fund's performance has changed from year to year. The chart shows, in percentage terms, how much an investment in the Fund held on the last day of the prior period would have grown or decreased by the last day of each period.



SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2025

Sector Mix	% of Fund's Net Asset Value
Fixed Income	39.70%
Canadian	38.30%
Federal	9.70%
Provincial	14.50%
Municipal	0.90%
Corporate	13.20%
International	1.40%
Federal	1.40%
Equities	57.90%
Canadian	28.90%
Communications Services	1.40%
Consumer Discretionary	3.40%
Consumer Staples	2.80%
Energy	4.30%
Financial Services	6.90%
Industrials	5.00%
Information Technology	2.90%
Materials	2.20%
United States	19.00%
Communications Services	2.70%
Consumer Discretionary	2.40%
Consumer Staples	1.90%
Energy	0.50%
Financial Services	4.70%
Health Care	3.20%
Industrials	0.70%
Information Technology	2.90%
International	10.00%
Finland	0.50%
France	3.30%
Germany	2.00%
Italy	0.90%
Japan	0.80%
Netherlands	0.60%
Spain	0.80%
United Kingdom	1.10%
Short-Term Investments	1.70%
Other Assets	0.70%
Total	100.00%

Top 25 Positions	% of Fund's Net Asset Value
Government of Canada, 2.500%, 2032/12/01	8.2%
Province of Ontario, 2.050%, 2030/06/02	2.2%
Province of Ontario, 3.750%, 2032/06/02	2.1%
Royal Bank of Canada	2.1%
Toronto-Dominion Bank (The)	1.9%
Province of Quebec, 3.100%, 2051/12/01	1.7%
Province of Ontario, 2.600%, 2027/06/02	1.6%
Government of Canada, 1.750%, 2053/12/01	1.6%
Province of Ontario, 2.650%, 2050/12/02	1.5%
Canadian National Railway Co.	1.5%
Province of Quebec, 2.300%, 2029/09/01	1.4%
United States Treasury Bond, 3.625%, 2053/02/15	1.4%
Province of Quebec, 3.600%, 2033/09/01	1.4%
Constellation Software Inc.	1.2%
Alphabet Inc., Class 'A'	1.2%
Royal Bank of Canada, 2.328%, 2027/01/28	1.1%
Premium Brands Holdings Corp.	1.1%
Walmart Inc.	1.1%
Siemens AG, ADR	1.1%
Microsoft Corp.	1.1%
Major Drilling Group International Inc.	1.1%
Brookfield Corp., Class 'A'	1.1%
Finning International Inc.	1.0%
Boyd Group Services Inc.	1.0%
TC Energy Corp.	1.0%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates on the Fund's holdings may be obtained free of charge by calling us at 905-273-4240 (1-844-373-4240), or by writing us at Lincluden Investment Management Limited, 201 City Centre Drive, Suite 201, Mississauga, Ontario, L5B 2T4, or by visiting our website at www.lincluden.com or SEDAR at www.sedar.com.