



# LetkoBrosseau

Letko Brosseau RSP Balanced Fund  
Letko Brosseau Fonds RER équilibré

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## ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022  
(Expressed in Canadian Dollars)



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## INDEPENDENT AUDITORS' REPORT

To the Unitholders of  
**LETKO BROUSSEAU RSP BALANCED FUND**  
**LETKO BROUSSEAU FONDS RER ÉQUILIBRÉ**

### *Opinion*

We have audited the financial statements of **LETKO BROUSSEAU RSP BALANCED FUND / LETKO BROUSSEAU FONDS RER ÉQUILIBRÉ** (the "Fund"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of changes in net assets attributable to holders of redeemable units, statements of comprehensive income and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### *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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our 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 audit opinion.

### *Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements*

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Fund Manager 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### *Auditors' 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 auditors' 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 these financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

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 over-ride 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 the Fund Manager.
- Conclude on the appropriateness of the Fund Manager'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 auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as 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.

We 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.



	2023	2022
	\$	\$
<b>Current assets</b>		
Cash	37,517	327,915
Investments	426,943,518	397,717,125
Interest, dividends and other receivables	1,551,439	1,247,859
	<u>428,532,474</u>	<u>399,292,899</u>
<b>Current liabilities</b>		
Amounts payable on redemptions of redeemable units	138,799	147,440
Accrued expenses	60,154	36,461
	<u>198,953</u>	<u>183,901</u>
<b>Net assets attributable to holders of redeemable units</b>	<u>428,333,521</u>	<u>399,108,998</u>

**Supplementary information**

<b>Number of redeemable units in circulation (note 7)</b>	29,959,249	29,380,025
<b>Net assets per unit attributable to holders of redeemable units (note 8)</b>	\$ 14.2972	\$ 13.5844

Approved by the Board of Directors of Letko, Brosseau & Associates Inc., Fund Manager

Daniel Brosseau, Director

Peter Letko, Director

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



	2023 \$	2022 \$
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	399,108,998	424,376,728
<b>Change in net assets attributable to holders of redeemable units</b>	43,802,281	(3,127,144)
<b>Redeemable unit transactions</b>		
Proceeds from issuance	9,122,487	14,876,934
Reinvestment of distributions	22,814,706	27,089,980
Redemptions	(23,700,245)	(37,017,520)
	8,236,948	4,949,394
<b>Distributions to holders of redeemable units (note 8)</b>		
Net investment income	(13,798,210)	(12,753,634)
Net realized gain on sale of investments	(9,016,496)	(14,336,346)
	(22,814,706)	(27,089,980)
<b>Net assets attributable to holders of redeemable units, end of year</b>	428,333,521	399,108,998

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



	2023	2022
	\$	\$
<b>Investment income</b>		
Net interest income for distribution purposes	4,509,355	3,014,755
Dividend income	9,584,082	9,865,967
Net securities lending income (note 11)	112,486	89,618
Foreign exchange gain (loss) on cash	317,360	(19,372)
Net realized gain (loss) on sale of investments	7,202,648	12,924,562
Net changes in unrealized appreciation (depreciation) of investments	22,372,582	(29,678,028)
	<u>44,098,513</u>	<u>(3,802,498)</u>
<b>Expenses</b>		
Trustee fees (note 12)	141,412	118,634
Professional fees	19,248	15,858
Filing fees	1,205	3,478
Withholding taxes (reclaimed)	79,329	(893,630)
Portfolio transaction costs	55,038	80,306
	<u>296,232</u>	<u>(675,354)</u>
<b>Change in net assets attributable to holders of redeemable units</b>	<u>43,802,281</u>	<u>(3,127,144)</u>
<b>Change in net assets per unit attributable to holders of redeemable units (note 4)</b>	<u>1.4875</u>	<u>(0.1091)</u>

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



	2023	2022
	\$	\$
<b>Cash flows from (used in) operating activities</b>		
Change in net assets attributable to holders of redeemable units	43,802,281	(3,127,144)
Adjustments or variations for:		
Foreign exchange (gain) loss on cash	(317,360)	19,372
Net realized (gain) loss on sale of investments	(7,202,648)	(12,924,562)
Net changes in unrealized (appreciation) depreciation of investments	(22,372,582)	29,678,028
Proceeds from sale or maturity of investments	186,189,175	187,711,008
Investments purchased	(181,277,056)	(180,160,123)
Interest, dividends and other receivables	(303,580)	(71,830)
Amounts payable on redemptions of redeemable units	(8,641)	19,264
Accrued expenses	23,693	(469)
	<b>18,533,282</b>	<b>21,143,544</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of redeemable units	9,122,487	14,876,934
Amounts paid on redemptions of redeemable units	(23,700,245)	(37,017,520)
	<b>(14,577,758)</b>	<b>(22,140,586)</b>
<b>Change in cash</b>	<b>3,955,524</b>	<b>(997,042)</b>
Cash, beginning of year	327,915	2,187,025
Effect of exchange rate changes on foreign cash	(4,245,922)	(862,068)
<b>Cash, end of year</b>	<b>37,517</b>	<b>327,915</b>

**Supplementary information**

**Cash flows relating to operating activities:**

Interest received	\$ 4,152,641	\$ 3,117,495
Dividends received, net of withholding taxes	\$ 9,470,422	\$ 9,304,257
Interest paid	\$ 1,046	\$ 615

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



	Quantity	Cost	Fair Value
		\$	\$
<b>Equities</b>			
<b>Energy</b>			
Birchcliff Energy	142,700	577,726	824,806
Canadian Natural Resources	19,725	612,181	1,712,327
Cenovus Energy	74,194	1,102,370	1,638,204
ConocoPhillips	16,600	782,080	2,540,629
Devon Energy Corporation	16,150	892,218	964,681
Enerflex	130,000	1,142,908	796,900
Hess Corporation	9,000	457,450	1,710,805
Ovintiv	12,700	747,689	738,632
Payto Exploration & Development Corporation	185,450	1,221,965	2,232,818
Shell	32,825	2,285,038	2,848,025
Suncor Energy	51,275	1,595,906	2,176,624
TotalEnergies	37,000	2,333,989	3,319,884
Tourmaline Oil Corporation	8,625	154,534	513,964
		13,906,054	22,018,299
<b>Materials</b>			
5N Plus	88,850	431,027	335,853
Arkema	15,500	1,644,329	2,325,463
Berry Global Group	27,925	2,083,305	2,481,429
Canfor Pulp Products	143,725	1,829,915	258,705
Cascades	100,725	872,624	1,282,229
Eastman Chemical	27,850	2,818,008	3,298,461
Graphic Packaging Holding	49,500	1,437,644	1,608,923
Holcim	28,353	1,821,040	2,932,625
HudBay Minerals	243,775	1,771,390	1,777,120
Interfor Corporation	23,175	359,185	544,149
Kuraray	129,400	2,254,434	1,725,270
Lundin Mining Corporation	167,800	829,898	1,818,952
Nutrien	23,100	1,549,233	1,724,415
Regis Resources	1,323,204	2,960,555	2,595,405
Smurfit Kappa Group	40,150	1,672,315	2,105,698
Teck Resources	34,075	678,352	1,908,541
West Fraser Timber Corporation	13,275	763,536	1,504,854
Western Forest Products	771,775	1,569,854	547,960
		27,346,644	30,776,052
<b>Industrial Products</b>			
Air Canada	103,400	530,067	1,932,546
Bombardier	35,375	2,339,342	1,882,304
Bunzl	28,025	850,759	1,502,769
CAE	43,325	903,696	1,239,095
Fedex Corporation	3,975	842,138	1,325,926
FLSmidth & Co.	33,796	1,895,677	1,896,556
Fraport AG Frankfurt Airport Services Worldwide	16,012	930,046	1,277,172
Mitsui & Co.	49,450	871,986	2,450,383
Siemens	15,900	1,869,668	3,935,339

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



	Quantity	Cost	Fair Value
		\$	\$
<b>Equities (continued)</b>			
<b>Industrial Products (continued)</b>			
Spirit Aerosystems Holdings	29,050	1,445,272	1,217,344
Transat	40,475	328,463	150,972
United Parcel Service	5,000	439,928	1,036,618
		13,247,042	19,847,024
<b>Consumer Discretionary</b>			
Adient	45,500	1,952,112	2,181,466
Canadian Tire Corporation	16,750	1,574,412	2,357,060
Dick's Sporting Goods	6,600	325,491	1,278,871
Dorel Industries	43,000	1,312,143	268,750
Kingfisher	630,000	2,134,838	2,576,551
Linamar Corporation	40,025	1,669,347	2,562,401
Magna International	27,225	1,138,049	2,131,445
Panasonic Holdings Corporation	134,400	1,587,972	1,755,480
Skechers USA	23,100	975,112	1,898,855
Valeo	123,750	4,228,928	2,508,239
		16,898,404	19,519,118
<b>Consumer Staples</b>			
Associated British Foods	63,150	1,973,308	2,512,625
Carrefour	97,525	3,501,717	2,353,141
George Weston	17,675	1,701,136	2,907,538
Maple Leaf Foods	65,400	1,834,118	1,650,696
Wal-Mart Stores	15,000	825,108	3,118,160
		9,835,387	12,542,160
<b>Health Care</b>			
Abbvie	9,550	860,936	1,951,480
Biogen	4,000	1,224,251	1,364,857
CVS Health Corporation	23,000	1,957,877	2,394,683
Gilead Sciences	24,958	2,269,764	2,666,009
GlaxoSmithKline	40,910	1,963,534	1,999,162
Merck & Co.	6,325	437,362	909,243
Moderna	9,850	1,181,336	1,291,677
Pfizer	78,625	2,720,687	2,984,801
Roche Holding	6,000	1,978,754	2,298,328
Sanofi	27,500	2,573,055	3,595,473
Tenet Healthcare Corporation	33,350	1,522,621	3,323,215
		18,690,177	24,778,928
<b>Financial Services</b>			
Aegon	300,000	2,165,115	2,293,272
Allianz	2,340	683,265	824,673
Bank of America Corporation	47,500	1,279,542	2,108,870
Bank of Montreal	23,000	1,598,735	3,015,530
Bank of Nova Scotia	50,000	3,418,840	3,225,000
BNP Paribas	40,375	2,604,460	3,680,933
Canadian Imperial Bank of Commerce	36,030	1,998,795	2,298,714

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



	Quantity	Cost	Fair Value
		\$	\$
<b>Equities (continued)</b>			
<b>Financial Services (continued)</b>			
CI Financial Corporation	42,800	628,308	636,008
Citigroup	54,000	2,950,913	3,662,755
Fidelity National Information Services	28,225	2,176,927	2,235,654
ING Groep	169,500	3,010,864	3,339,485
Invesco	48,851	917,893	1,149,161
Manulife Financial Corporation	150,800	2,947,747	4,415,423
Power Corporation of Canada	80,450	2,274,003	3,048,250
Royal Bank of Canada	21,000	1,629,607	2,814,000
State Street Corporation	27,900	1,700,915	2,849,672
Sun Life Financial	38,000	1,259,472	2,611,360
Toronto-Dominion Bank	35,400	1,955,183	3,030,948
Truist Financial Corporation	61,450	2,930,451	2,991,553
Wells Fargo & Co.	35,275	2,367,780	2,289,400
		40,498,815	52,520,661
<b>Real Estate</b>			
Macerich Company	97,450	2,038,802	1,982,718
Morguard Corporation	10,075	863,253	1,067,749
		2,902,055	3,050,467
<b>Technology</b>			
Alps Alpine	117,200	1,338,382	1,346,661
ams-OSRAM	849,750	4,865,219	2,814,350
Celestica	49,050	427,421	1,903,631
Cirrus Logic	21,585	1,727,780	2,367,753
Open Text Corporation	35,325	2,057,303	1,967,249
Oracle Corporation	10,150	520,442	1,411,053
Samsung Electronics Corporation	1,791	2,543,432	3,537,740
SAP	13,524	1,885,151	2,747,626
Skyworks Solutions	22,307	2,846,712	3,306,723
		18,211,842	21,402,786
<b>Communication Services</b>			
Alphabet	22,680	2,320,891	4,214,632
AT&T	128,850	3,673,568	2,850,949
BCE	39,000	1,546,033	2,034,630
Cogeco Communications	24,750	1,426,794	1,468,913
Comcast Corporation	57,475	1,852,263	3,323,240
Meta Platforms	11,275	2,520,415	5,262,400
Quebecor	46,875	511,503	1,477,500
Rogers Communications	42,675	1,958,512	2,647,130
Telefonica	325,710	5,574,365	1,676,633
Telus Corporation	80,000	991,897	1,886,400
Verizon Communications	40,000	1,718,009	1,988,449
Vodafone Group	108,618	4,622,751	1,246,046
		28,717,001	30,076,922

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



	Quantity	Cost \$	Fair Value \$
<b>Equities (continued)</b>			
<b>Utilities</b>			
Capital Power Corporation	60,000	1,364,048	2,270,400
EDP - Energias de Portugal	400,000	1,707,985	2,653,926
Superior Plus Corporation	164,725	1,946,416	1,586,302
Veolia Environnement	63,000	1,710,847	2,620,832
		6,729,296	9,131,460
<b>Investment Fund</b>			
Letko Brosseau Emerging Markets Equity Fund	3,505,552	36,560,965	45,440,362
<b>Total Equities</b>		233,543,682	291,104,239

	Par Value	Cost \$	Fair Value \$
<b>Canadian Government Bonds</b>			
<b>Provincial Governments and Crown Corporations</b>			
British Columbia Investment Management Corporation 4.900%, 2033-06-02	2,000,000	1,992,820	2,163,472
CDP Financial 3.950%, 2029-09-01	1,000,000	988,360	1,017,317
CPPIB Capital 2.850%, 2027-06-01	730,000	729,109	711,567
3.250%, 2028-03-08	1,600,000	1,599,168	1,581,226
1.950%, 2029-09-30	2,500,000	2,241,835	2,295,069
3.950%, 2032-06-02	1,280,000	1,233,408	1,300,067
New Brunswick F-M Project 6.470%, 2027-11-30	23,513	23,706	24,206
Ontario Teachers' Finance Trust 4.150%, 2029-11-01	2,400,000	2,398,728	2,460,406
4.450%, 2032-06-02	1,240,000	1,233,959	1,291,629
Province of Alberta 2.200%, 2026-06-01	5,200,000	5,357,165	5,003,491
2.550%, 2027-06-01	3,855,000	3,964,868	3,721,598
Province of Manitoba 2.550%, 2026-06-02	1,000,000	976,700	970,058
2.600%, 2027-06-02	3,015,000	3,072,044	2,914,247
2.050%, 2031-06-02	1,000,000	854,440	895,002
Province of New Brunswick 2.600%, 2026-08-14	645,000	684,068	626,187
Province of Newfoundland and Labrador 3.850%, 2027-10-17	2,000,000	1,997,280	2,011,946
Province of Nova Scotia 2.100%, 2027-06-01	495,000	472,838	470,815

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



	Par Value	Cost \$	Fair Value \$
<b>Canadian Government Bonds (continued)</b>			
<b>Provincial Governments and Crown Corporations (continued)</b>			
Province of Ontario			
2.600%, 2025-06-02	3,500,000	3,790,570	3,420,496
1.750%, 2025-09-08	5,320,000	5,532,523	5,118,146
2.400%, 2026-06-02	9,500,000	10,046,915	9,186,672
1.350%, 2026-09-08	500,000	463,975	469,888
2.600%, 2027-06-02	3,840,000	3,981,800	3,714,526
2.700%, 2029-06-02	2,000,000	1,832,800	1,920,652
3.650%, 2033-06-02	6,305,000	5,921,101	6,245,867
Province of Quebec			
2.750%, 2025-09-01	2,960,000	3,225,216	2,896,016
Province of Saskatchewan			
0.800%, 2025-09-02	2,000,000	2,001,100	1,894,601
3.050%, 2028-12-02	3,000,000	2,824,500	2,935,080
3.900%, 2033-06-02	500,000	478,990	504,629
PSP Capital			
0.900%, 2026-06-15	4,600,000	4,579,576	4,283,421
4.400%, 2030-12-02	1,000,000	999,140	1,046,701
2.600%, 2032-03-01	6,490,000	5,580,491	5,978,926
4.150%, 2033-06-01	2,095,000	1,987,317	2,150,543
		83,066,510	81,224,467
<b>Municipalities and Parapublic Institutions</b>			
City of Toronto			
2.450%, 2025-02-06	85,000	83,632	83,294
Municipal Finance Authority of British Columbia			
1.100%, 2025-06-01	750,000	761,513	717,325
3.350%, 2027-06-01	390,000	389,376	386,061
4.500%, 2028-12-03	825,000	824,340	859,481
Regional Municipality of York			
2.500%, 2026-06-02	400,000	392,213	387,224
South Coast British Columbia Transportation Authority			
1.600%, 2030-07-03	480,000	449,616	424,179
Toronto Hydro Corporation			
2.430%, 2029-12-11	300,000	267,840	275,823
		3,168,530	3,133,387
<b>Total Canadian Government Bonds</b>		86,235,040	84,357,854
<b>Corporate Bonds</b>			
407 International			
4.220%, 2028-02-14	750,000	749,768	748,440
Allied Properties Real Estate Investment Trust			
3.636%, 2025-04-21	210,000	201,852	203,753
3.113%, 2027-04-08	540,000	501,930	493,268
AltaGas			
4.638%, 2026-05-15	350,000	350,000	350,262

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



	Par Value	Cost \$	Fair Value \$
<b>Corporate Bonds (continued)</b>			
Bank of Montreal			
3.190%, 2028-03-01	2,000,000	1,852,000	1,930,937
5.039%, 2028-05-29	300,000	300,000	306,822
Bank of Nova Scotia			
3.100%, 2028-02-02	2,000,000	1,912,760	1,925,019
Bell Canada			
2.700%, 2024-02-27	750,000	789,323	746,840
1.650%, 2027-08-16	2,000,000	1,733,800	1,841,024
4.550%, 2030-02-09	500,000	498,935	503,469
Canadian Imperial Bank of Commerce			
5.500%, 2028-01-14	1,000,000	999,490	1,035,368
Capital Power Corporation			
4.284%, 2024-09-18	200,000	202,368	198,288
4.986%, 2026-01-23	300,000	302,100	299,288
Enbridge Gas			
2.880%, 2027-11-22	380,000	361,414	363,374
2.370%, 2029-08-09	550,000	495,336	504,036
Fortis			
2.180%, 2028-05-15	385,000	347,463	354,156
4.431%, 2029-05-31	500,000	498,625	501,099
George Weston			
4.115%, 2024-06-17	750,000	820,830	745,380
Loblaw Companies			
3.918%, 2024-06-10	500,000	544,000	497,001
4.488%, 2028-12-11	120,000	120,605	121,427
Manulife Financial Corporation			
5.409%, 2033-03-10	2,000,000	1,980,400	2,042,307
Morguard Corporation			
4.715%, 2024-01-25	900,000	922,941	898,988
4.204%, 2024-11-27	100,000	100,358	97,084
RioCan Real Estate Investment Trust			
2.829%, 2028-11-08	845,000	727,689	757,702
4.628%, 2029-05-01	510,000	485,370	495,009
Rogers Communications			
4.000%, 2024-03-13	940,000	990,666	937,216
3.250%, 2029-05-01	875,000	780,688	822,110
Royal Bank of Canada			
4.930%, 2025-07-16	350,000	400,680	351,984
4.632%, 2028-05-01	500,000	499,990	504,187
SmartCentres Real Estate Investment Trust			
3.192%, 2027-06-11	1,430,000	1,369,323	1,342,655
TC Energy Corporation			
4.350%, 2026-05-12	400,000	399,885	399,139
Telus Corporation			
2.350%, 2028-01-27	2,100,000	1,881,650	1,945,801

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



	Par Value	Cost \$	Fair Value \$
<b>Corporate Bonds (continued)</b>			
Thomson Reuters Corporation 2.239%, 2025-05-14	2,100,000	2,139,990	2,030,163
Toronto-Dominion Bank 4.680%, 2029-01-08	1,500,000	1,465,870	1,517,439
<b>Total Corporate Bonds</b>		27,728,099	27,811,035
<b>Total Bonds</b>		113,963,139	112,168,889
<b>Money Market Securities</b>			
Alberta Treasury Bills			
2024-02-06	455,000	449,372	449,372
2024-02-27	25,000	24,734	24,734
Manitoba Treasury Bills			
2024-02-14	225,000	222,390	222,390
New Brunswick Treasury Bills			
2024-01-18	375,000	370,456	370,456
2024-02-01	5,000	4,940	4,940
2024-02-08	415,000	409,802	409,802
2024-02-22	225,000	222,369	222,369
2024-03-07	1,685,000	1,666,836	1,666,836
Ontario Treasury Bills			
2024-01-03	800,000	764,496	764,496
2024-01-10	465,000	459,597	459,597
2024-01-17	55,000	54,803	54,803
2024-01-31	1,050,000	1,036,959	1,036,959
2024-01-31	1,500,000	1,435,680	1,435,680
2024-02-28	1,085,000	1,072,118	1,072,118
2024-04-24	1,000,000	958,110	958,110
Province of British Columbia, notes			
2024-01-29	985,000	1,349,447	1,281,742
2024-02-02	530,000	720,648	689,109
2024-02-06	3,020,000	4,117,005	3,920,687
2024-02-08	15,000	20,229	19,526
2024-02-14	355,000	476,910	462,767
2024-02-22	1,240,000	1,671,710	1,600,290
2024-02-26	25,000	33,800	32,461
2024-02-27	1,380,000	1,846,443	1,795,703
2024-03-01	3,630,000	4,863,132	4,715,443
<b>Total Money Market Securities</b>		24,251,986	23,670,390
<b>Portfolio Transaction Costs Included in the Securities' Cost</b>		(302,569)	
<b>Total Investments</b>		371,456,238	426,943,518

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



## 1. Establishment of the fund

The Letko Brosseau RSP Balanced Fund / Letko Brosseau Fonds RER équilibré (the “Fund”) is a private unit investment trust created under a trust agreement established on November 30, 2004, along with its related amendments, under the laws of the province of Ontario. The registered office is located at 155 Wellington Street West, Toronto, Ontario, Canada, M5V 3L3.

The trust agreement designates RBC Investor Services Trust as the trustee, custodian and accountant of the Fund (the “Trustee”) and Letko, Brosseau & Associates Inc. as the manager of the Fund (the “Manager”).

## 2. Basis of presentation

These financial statements, for which the functional and presentation currency is the Canadian dollar, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as published by the International Accounting Standards Board (“IASB”) and comply with the requirements of the Canadian Securities Administrators (“CSA”).

The financial statements were authorized for issue by the Manager’s Board of Directors on March 21, 2024.

These financial statements have been prepared on a historical cost basis with the exception of cash and investments which are measured at fair value.

## 3. Change in accounting policy

### Amendment to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies

The Fund adopted the amendment to IAS 1 in the current year. The amendment assists the Fund in deciding which accounting policies are to be disclosed in its financial statements. The amendment replaces all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. The amendment has been applied prospectively and resulted in changes to the Fund’s disclosures in its financial statements.

## 4. Material accounting policy information

### Financial instruments

#### Classification

The Fund classifies its financial assets based on both the Fund’s business model for managing those financial assets and the associated contractual cash flow characteristics. Based on the Fund’s objective of achieving long-term capital appreciation and the management and evaluation of the portfolio’s performance on a fair value basis, the Fund applies the business model which requires that its portfolio, which includes cash and investments, be classified at fair value through profit or loss. All other financial assets and liabilities, with the exception of the Fund’s obligation for net assets attributable to holders of redeemable units, are classified at amortized cost. The Fund’s obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as described in note 8.

#### Recognition and measurement

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of investments are recognized on the trade date. Subsequent to initial recognition, cash and investments are measured at fair value and gains and losses arising from changes in the fair value are recognized in the statements of comprehensive income. All other financial assets and financial liabilities are initially recognized on the date on which they originated and are subsequently measured at amortized cost.

Portfolio transaction costs incurred by the Fund for the sale and purchase of investments are expensed as incurred.



## 4. Material accounting policy information (continued)

### Financial instruments (continued)

#### Fair value

The fair value of the Fund's investments traded in active markets is determined using the quoted market prices at the close of trading on the date of the financial statements. The closing market price is either obtained from an accredited stock exchange where the security has the highest trading volume or from independent and renowned brokerage houses. In the event where the last closing market price does not fall within the bid-ask spread on the date of the financial statements, the Manager and the Trustee determine the point within the bid-ask spread that is most representative of fair value based on the facts and circumstances. Investment fund units held for trading that are not traded in active markets are measured at fair value based on their net asset value as determined by their trustee.

The Fund's accounting policies for measuring the fair value of its investments are consistent with those used to determine the net asset value for transactions with unitholders.

Information on the reliability of the fair value measurement of financial assets is disclosed in note 15. The transfer of a financial asset from one fair value hierarchy level to another is performed at the date of the event or change in circumstances which would justify a change in level.

#### Revenue recognition

Investment income is accounted for using the accrual method of accounting. Interest income for distribution purposes is recognized when it is earned. 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 using the effective interest rate method. Dividends are recognized on the ex-dividend date and distributions on investment fund units are recorded at the ex-distribution date. Income from securities lending is recorded when earned. Realized gains and losses upon sale of investments are recognized on the trade date and are calculated using the average cost method.

#### Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates the transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the date of the financial statements. Foreign exchange gains and losses are presented in the statements of comprehensive income.

#### Change in net assets per unit attributable to holders of redeemable units

This change, presented in the statements of comprehensive income, represents the variation in net assets per unit attributable to holders of redeemable units based on the average number of redeemable units that were in circulation during the year.

#### Use of estimates, judgments and assumptions

The preparation of these financial statements in accordance with IFRS requires the Manager to make judgments in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most material accounting judgments and estimates that the Manager has made in preparing the financial statements.

#### Investment entity

The Manager has determined that the Fund meets the definition of an investment entity in accordance with IFRS 10 Consolidated Financial Statements. As a result, in the event the Fund holds an investment in a subsidiary, the Fund would account for this investment at fair value through profit or loss.



## 5. Future accounting standards

There are currently no new accounting standards, amendments to current standards or new interpretations that are effective for annual periods beginning on or after January 1, 2024 which would have a material effect on the Fund's financial statements.

## 6. Interests in unconsolidated structured entities

The Fund holds redeemable units in the Letko Brosseau Emerging Markets Equity Fund, an investment fund which is also managed by Letko, Brosseau & Associates Inc. The units held can be redeemed daily. The Letko Brosseau Emerging Markets Equity Fund's investment objective is to optimize returns by way of capital appreciation and generate investment income through an internationally well-diversified portfolio comprised primarily of publicly traded companies exposed to more rapidly growing developing economies. This fund is financed entirely through capital provided by its investors. As at December 31, 2023, the net assets attributable to holders of redeemable units of Letko Brosseau Emerging Markets Equity Fund are \$1,540,911,128 (2022: \$1,406,904,472) and the Fund's maximum exposure to loss is \$45,440,362 (2022: \$38,943,199), which is equivalent to the fair value of the investment held.

## 7. Redeemable units in circulation

The Fund is authorized to issue an unlimited number of series of units each of which can contain an unlimited number of units, without par value. All units are voting, participating and redeemable by the unitholders at the net asset value.

Since its inception, the Fund has issued only one series of redeemable units.

	2023	2022
<b>Number of redeemable units in circulation, beginning of year</b>	29,380,025	28,984,058
<b>Number of redeemable units issued and redeemed during the year</b>		
Issued for cash and other consideration	644,710	1,031,967
Issued on reinvestment of distributions	1,617,238	1,967,825
Redeemed	(1,682,724)	(2,603,825)
<b>Number of redeemable units in circulation, end of year</b>	29,959,249	29,380,025

## 8. Valuation of redeemable units and distributions

The net asset value per unit, which represents the redemption amount, is determined by dividing the Fund's net assets at fair value by the number of redeemable units in circulation at the end of each valuation date.

Income from dividends, interest and securities lending, net of expenses of the Fund, is accounted for in the net assets attributable to holders of redeemable units. At the end of each month, income received, net of expenses paid, is distributed and reinvested as additional redeemable units or, at the discretion of the unitholders, is paid in cash. Realized gains and losses resulting from the sale of investments are accounted for in the net assets attributable to holders of redeemable units and net realized gains are distributed and reinvested at the end of the fiscal year as additional redeemable units or, at the discretion of the unitholders, are paid in cash. Upon request from the Manager, additional income and capital gain distributions may occur at different times during the fiscal year under exceptional circumstances.

## 9. Capital management

The capital of the Fund is represented by redeemable units issued and in circulation. According to its mission, substantially all of the Fund's capital is invested in securities. Information about the Fund's objectives, policies and procedures for managing its capital is disclosed in note 14. The Fund is not subject to any particular external requirement for managing its capital.



## io. Related party transactions

The following table presents a summary of the transactions during the year between the Fund and related parties. Related parties are represented by the Manager, the investment funds and limited partnerships it manages, directors of the Manager, corporations controlled by the directors of the Manager, family members of the directors and a deferred profit-sharing plan for the benefit of the Manager's employees.

2023	Manager \$	Other related parties \$
<b>Redeemable units issued and redeemed</b>		
Issued for cash and other consideration	-	467,708
Issued on reinvestment of distributions	-	295,634
Redeemed	-	(717,846)
	-	45,496
2022	Manager \$	Other related parties \$
<b>Redeemable units issued and redeemed</b>		
Issued for cash and other consideration	-	374,682
Issued on reinvestment of distributions	-	335,329
Redeemed	-	(150,284)
	-	559,727

These transactions took place in the normal course of operations and are measured at the net asset value at the date of the transactions.

As at December 31, related parties held units of the Fund with an aggregate fair market value of the following:

	2023 \$	2022 \$
Manager	-	-
Other related parties	5,286,533	4,980,350
	5,286,533	4,980,350

## ii. Net securities lending income

The Fund takes part in a securities lending program with the Trustee. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. In accordance with the terms of the program, the Fund receives collateral of at least 102% of the fair value of the securities on loan. The collateral consists primarily of debt securities with high credit ratings. The fair value of the securities loaned is determined in accordance with standard market practices and additional collateral is requested if necessary.



## II. Net securities lending income (continued)

The table below presents the aggregate fair value of the securities on loan and collateral held under securities lending transactions as at December 31. The securities on loan continue to be included in the statements of financial position.

	2023	2022
	\$	\$
Total fair value of securities on loan	81,949,794	92,403,911
Total collateral held	83,603,403	94,253,710

Securities lending income reported in the statements of comprehensive income is net of securities lending charges which the Fund's Trustee is entitled to receive as per the terms of the program. For the years ended December 31, securities lending income was as follows:

	2023	2022
	\$	\$
Gross securities lending income	187,477	149,363
Securities lending charges	(74,991)	(59,745)
Net securities lending income	112,486	89,618
Securities lending charges as a % of the gross securities lending income	40.0%	40.0%

## 12. Fees

Trustee fees are calculated according to an agreement between the Manager and the Trustee.

Management fees of the Manager are invoiced directly to the unitholders.

## 13. Income taxes

In accordance with provisions of the Income Tax Act (Canada) and the Quebec Taxation Act, the Fund qualifies as a mutual fund trust and has elected to choose a December 15<sup>th</sup> taxation year-end. The Fund is taxed on its income received and not distributed to unitholders. The Fund distributes to unitholders the total income from dividends, interest and securities lending, net of expenses and a sufficient portion of net realized taxable capital gains to eliminate the income taxes.

## 14. Risks associated with financial instruments

### Analysis of risk management

The Fund has as its objective to generate income and capital appreciation through the creation of a well-diversified portfolio balanced between equity and fixed income instruments. The fixed income portion primarily comprises Canadian government and corporate bonds. The equity portion primarily comprises publicly traded equities diversified across countries, industries and companies.

When the Fund invests in other investment funds, it may be indirectly exposed to risks related to the financial instruments held by these funds, according to their investment objectives and the type of securities they hold.

### Credit risk

The Fund's maximum exposure to credit risk is the fair value of debt securities included in investments, as well as interest, dividends and other receivables presented on the statements of financial position.



## 14. Risks associated with financial instruments (continued)

### Credit risk (continued)

The majority of the credit risk to which the Fund is exposed to arises from its investments in debt securities. The Manager is of the opinion that the credit risk associated with these investments in debt securities is limited given that the Fund invests in issuers with high credit ratings. The Fund holds bonds for which the credit rating breakdown is as follows:

Bonds by credit rating	2023 % of net assets	2022 % of net assets
AAA	5.81	2.43
AA	5.60	5.99
A	10.74	13.69
BBB	3.81	3.34
BB	0.23	0.49

Credit ratings attributed to money market securities are not presented above since the related credit risk is insignificant given their short-term maturities.

The Fund is not exposed to a significant credit risk through its investment in the Letko Brosseau Emerging Markets Equity Fund given that this fund's holdings in debt securities are not significant.

The credit risk associated with securities lending transactions is considered minimal given the nature and the value of the collateral held by the Fund in connection with these transactions.

The risk of default on transactions with counterparties related to investments is considered minimal since the transaction would fail if either party did not fulfill its obligation.

### Liquidity risk

The Fund's units are redeemable at the option of the holder thereby exposing the Fund to liquidity risk. Although the Fund is exposed to redemptions of units, liquidity risk is mitigated by the fact that the majority of its assets consists of investments traded on a stock exchange or an organized market, which can be readily liquidated. In addition, at the Manager's discretion, the Fund may pay the redemptions in securities instead of cash.

### Market risks

For the disclosure of market risks, IFRS requires that a sensitivity analysis be presented showing the effects of reasonable possible changes in relevant risk variables on the value of net assets attributable to holders of redeemable units.

The Manager considers that this sensitivity analysis, showing the impact on the value of financial instruments from changes in the market, is based on a highly unlikely assumption that all other variables remain constant. Moreover, considering the many interrelationships between the various components of market risk, the Manager is of the opinion that it is not possible to quantify the impact of market fluctuations due to the interdependence of these components. Consequently, in practice, actual results may differ from the sensitivity analyses presented herein and differences could be material.

### Price risk

Given the uncertainty regarding the investments' future prices, the Fund is exposed to the inherent risk associated with fluctuations in the market. Consequently, the maximum risk to which the Fund is exposed corresponds to the fair value of its investments.



## 14. Risks associated with financial instruments (continued)

### Market risks (continued)

#### Price risk (continued)

The Manager's best estimate of the upward or downward impact on the Fund's investments and net assets as a result of reasonable probable changes in benchmark indices, with all other variables being equal, is as follows:

Benchmark indices	Changes in %	2023 Impact \$	2022 Impact \$
FTSE Canada 91 Day T-Bill Total Return Index	0.25	60,000	50,000
FTSE Canada Universe Bond Total Return Index	1.00	1,125,000	1,037,000
S&P/TSX Composite Total Return Capped Index	3.00	2,457,000	2,583,000
MSCI All Country World Total Return Net Index	3.00	6,259,000	5,634,000

#### Currency risk

The Fund holds securities of foreign issuers in its investment portfolio. The value of these securities is dependent on fluctuations in currency rates. These fluctuations may increase the short-term volatility of foreign securities in the markets and affect the short-term performance of the Fund.

The Fund holds assets denominated in foreign currencies for which the distribution is as follows:

Foreign currencies	2023 % of net assets	2022 % of net assets
U.S. dollars	28.29	26.00
Euros	9.17	9.38
Other currencies representing less than 5% individually	14.50	12.77

As at December 31, 2023 an increase or decrease of 3% in the value of Canadian currency compared to foreign currencies, with all other variables being equal, would have resulted in an upward or downward variation of the Fund's investments and net assets of \$6,678,000 (2022: \$5,767,000).

The currency distribution presented above and the calculated variation take into account the Fund's investment in the Letko Brosseau Emerging Markets Equity Fund which holds investments in foreign currencies.

#### Interest rate risk

The Fund is exposed to interest rate risk primarily on its bonds with maturity dates as follows:

Bonds by maturity date	2023 \$	2022 \$
Less than 1 year	4,120,796	15,326,159
1 to 5 years	71,692,343	77,062,809
5 to 10 years	36,355,750	11,131,350
Total	112,168,889	103,520,318

An increase or decrease of 1% in interest rates, with all other variables being equal, would have resulted in a downward or upward variation of the Fund's investments and net assets in the amount of \$4,178,000 (2022: \$2,754,000). Interest rate fluctuations have an insignificant impact on money market securities given their short-term maturities.



## 14. Risks associated with financial instruments (continued)

### Market risks (continued)

#### Interest rate risk (continued)

The Fund's investments in equities are also exposed to interest rate risk. This is due to the fact that their value is dependent on the rate used in discounting future dividends and to the general effect from changes in interest rates on the economy as a whole, the availability of credit and the profitability of companies. The Manager believes that it is not possible to quantify the impact of the variations taking into account the interdependence of these components.

## 15. Information on fair value of financial instruments

The financial instruments measured at fair value are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination:

- Level 1: financial instruments for which the fair value is determined using quoted prices in active markets;
- Level 2: financial instruments for which the fair value is determined using pricing models based on market observable inputs;
- Level 3: financial instruments for which the fair value is determined using pricing models based on market unobservable inputs.

The investments held by the Fund and measured at fair value are classified as follows:

	Level 1	Level 2	Level 3	Total
2023	\$	\$	\$	\$
Equities, excluding investment fund	245,663,877	-	-	245,663,877
Investment fund	-	45,440,362	-	45,440,362
Bonds	81,224,467	30,944,422	-	112,168,889
Money market securities	23,670,390	-	-	23,670,390
	350,558,734	76,384,784	-	426,943,518

	Level 1	Level 2	Level 3	Total
2022	\$	\$	\$	\$
Equities, excluding investment fund	235,537,093	-	-	235,537,093
Investment fund	-	38,943,199	-	38,943,199
Bonds	77,978,643	25,541,675	-	103,520,318
Money market securities	19,716,515	-	-	19,716,515
	333,232,251	64,484,874	-	397,717,125

No investments were transferred within the levels during the years ended December 31, 2023 and 2022.

The financial instruments not measured at fair value through profit or loss are short term financial assets and liabilities whose carrying amounts approximate fair value.

## 16. Filing exemption for financial statements

The Fund has advised the CSA that it is exempt under section 2.11 of NI 81-106 from annual filing requirements to the Canadian regulation authorities since all the requirements have been met.